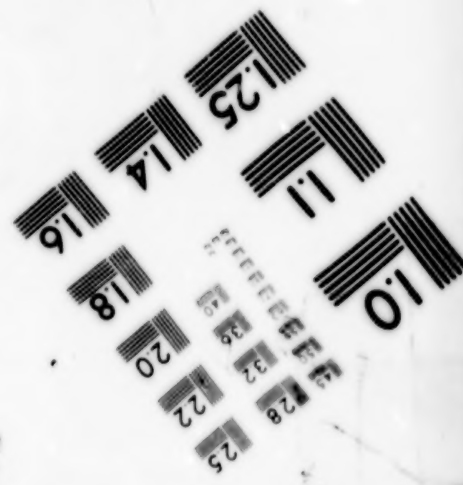
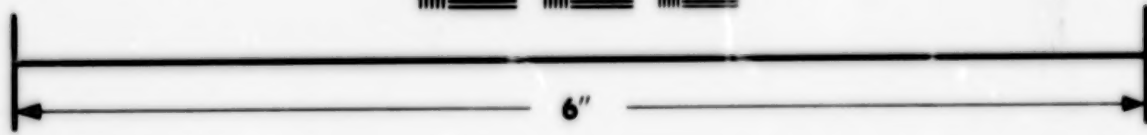
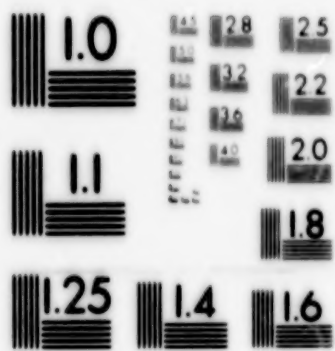


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PHAM VAN DONG ADDRESSES CEMA COMMITTEE SESSION

BK091248 Hanoi Domestic Service in Vietnamese 1430 GMT 8 Jan 86

["Full text" of address by Council of Ministers Chairman Pham Van Dong at 8 January Hanoi opening session of 37th CEMA Economic Planning Committee Conference--read by announcer]

[Text] Dear Comrade President, dear comrade chief delegates, comrades:

On behalf of the CPV Central Committee and the SRV Government, I warmly welcome Comrade Nikolay Vladimirovich Talyzin, chairman of the Soviet State Planning Commission, and those comrades heading or representing the state planning commissions of other fraternal socialist countries at the CEMA Planning Cooperation Committee's conference being held for the first time in our country. I also warmly welcome various observers, members of various delegations, comrade deputy secretary, and representatives of various CEMA organs attending this conference. The timing of the conference and those issues to be discussed and decided by it are of great importance as they reflect our determination to implement a resolution of the high-level economic conference and a general program for the application of scientific and technical innovations between now and the year 2000 as already approved by the 41st special CEMA session. The committee's conference this time will certainly mark a vigorous change in perfecting and increasing multilateral cooperation, thus making important contributions to advancing our socialist community toward the final years of the 20th century with rapid and steady developments. In the socialist community, the Soviet Union always serves as a main pillar with an exceptionally great role and position requiring it to shoulder numerous heavy duties.

The CPV and the SRV Government strongly support the policies and activities of the Soviet leadership aimed at accelerating the country's economic and social growth. We strongly support the activities of Comrade General Secretary Mikhail Sergeyevich Gorbachev at the recent Soviet-U.S. summit and the many important Soviet initiatives aimed at preserving peace and the security of nations and protecting life on earth and human civilization. Those all-round achievements of the Soviet Union and of the socialist community -- the strengths of their correct political line, their foreign policy of peace, and their socialist way of life -- are dynamic factors ensuring the success of our revolutionary cause in the competition for peace and the tough class struggle against the critical, worldwide challenge by imperialism. Through individual efforts to strengthen cooperation and mutual assistance in accordance with the spirit of socialist internationalism, through constant efforts to perfect organizational and managerial work and to make vigorous use of the leverage of science and technology, and through the realistic and high-quality results of our work, we are determined to demonstrate the superiority of socialism in the economic field. From this, we can develop the effect of our regime a thousand times better, as already stated by Lenin, among the whole world, especially the Third World. We are optimistic and confident in our future. Our socialist community will certainly be able to make constant headway. We must hold high the banner of peace and national independence against imperialism and must be always worthy of being a factor deciding the development of human society. The CEMA Planning Cooperation Committee's conference, held this time in Vietnam, is an important event at a time when imperialism and other reactionary forces are harboring numerous perfidious schemes against this part of the world.

In an area where the tough struggle between the forces of peace, national independence, democracy, and social progress and imperialist and reactionary forces is taking place, the Vietnamese people, standing shoulder-to-shoulder with the Lao and Cambodian peoples and uniting closely with the Soviet Union and the socialist community, will strive to win the support from the peaceful and progressive forces in the region for their constant struggle to foil the Asia-Pacific strategy of imperialism headed by the U.S. imperialists in the advance toward creating favorable conditions for setting up a zone of peace and security in Asia, especially for building Southeast Asia into a zone of peace, stability, friendship, and cooperation. The fact that the member countries, agencies, and planning and cooperation committees of the economic council play a special role and hold a special position in implementing the high-level economic conference resolution to help Vietnam, Cuba, and Mongolia accelerate economic development and gradually reach the level of economic development of the European member countries will set an example of model cooperation relations among the socialist countries and will develop the strength of the new type of cooperation relations of our economic council to attract the members of the Nonaligned Movement. While the Third World countries are beset with difficulties, the example of the socialist community will urge the peoples of these countries to choose the line of building independent and prosperous countries and struggling in their advance toward establishing a new world economic order.

Dear comrades: During this period, a minute on coordinating economic plans between Vietnam and the Soviet Union and other fraternal countries for 1986-90 was signed. The Communist Party, Government, and people of Vietnam are sincerely grateful to the fraternal socialist countries, especially the great Soviet Union, for their decision to intensify their aid to and cooperation with Vietnam in the next 5 years, a specially important period for our party to implement the strategy of socioeconomic development. We hope that during your stay in Vietnam, you have had a chance to seek to understand and exchange views on the effective guidelines and forms aimed at exploiting the abundant material and labor resources to expand even more the scale of economic cooperation with Vietnam and to intensify your help to us in settling our very fundamental socioeconomic tasks in the initial stage of the transition period as specified in the resolution of our party's fifth congress: Concentrate on developing agriculture and the industry of consumer goods; build some of the most vital heavy industries and the material and technical bases of socialism; stabilize and gradually improve the people's living conditions; and strive to score outstanding achievements in all fields thus creating favorable conditions for developing the economy and welcoming our party's sixth congress.

As we are advancing to socialism from small production after having gone through 30 years or more of fierce war and while we have to cope regularly with the multifaceted acts of sabotage by hostile forces and with successive natural disasters, our economy is still rife with imbalances and serious difficulties. Our country is still poor, and our people are still enduring privations in their life. However, as the Vietnamese people possess the stalwart revolutionary traditions, diligent labor spirit, and the strength of the socialist system of collective mastery, they will certainly develop to the highest extent their own endeavour to use effectively the aid from the fraternal countries, successfully build socialism, firmly defend the socialist Vietnamese fatherland, and make positive contributions to the cause of peace, national independence, democracy, and social progress in this region and the world. On this occasion you also will have the chance of seeking and understanding the possibility of further strengthening your assistance to and cooperation with Laos and Cambodia -- our two fraternal neighboring countries -- on the Indochinese Peninsula. With sincere gratitude, I wish our conference a fine success.

SHEVARDNADZE NOT TO VISIT DPRK BEFORE TOKYO

OW100413 Tokyo KYODO in English 0409 GMT 10 Jan 86

[Text] Tokyo, Jan. 10 KYODO -- Soviet Foreign Minister Eduard Shevardnadze will arrive here next Wednesday directly from Moscow, instead of after a visit to North Korea as earlier reported. The Soviet Union has informed the Japanese Foreign Ministry of the change in his schedule, a ministry source said Friday morning.

There is no change in the itinerary for Shevardnadze's Japan visit January 15-19.

The Soviet side said his direct flight from Moscow to Tokyo shows the importance the Soviet Union attaches to Japan-Soviet relations, the source said. Shevardnadze will be the first Soviet Foreign Minister to visit here in 10 years. Official talks between the Japanese and Soviet foreign ministers will be the first in eight years.

Previously, Shevardnadze was scheduled to leave Moscow for North Korea around next Monday, visit Japan January 15-19 and then make a trip to Mongolia. But under the new schedule, he will make a visit to North Korea after his Japan tour, the source said.

NAKASONE PLANS TRADE TALKS WITH REAGAN IN MARCH

OW100855 Tokyo KYODO in English 0851 GMT 10 Jan 86

[Text] Tokyo, Jan. 10 KYODO -- Prime Minister Yasuhiro Nakasone will visit the United States for talks with President Ronald Reagan in early March, government spokesman Masaharu Gotoda said Friday. Discussions are expected to focus on bilateral trade disputes stemming from Japan's huge trade surplus with the United States estimated at 50 billion dollars in 1985.

MITI TO HELP REVIVE INTERNATIONAL TIN TRADING

OW090915 Tokyo KYODO in English 0752 GMT 9 Jan 86

[Text] Tokyo, Jan. 9 KYODO -- International Trade and Industry Minister Michio Watanabe, in a meeting with Prime Minister Yasuhiro Nakasone Thursday, said Japan will cooperate in efforts to help rehabilitate international commodity agreements on tin.

International Tin dealing has been suspended since late last year due to the near bankruptcy of the 24-member international tin council (ITC). The ITC has incurred 204 million pounds in debts trying to shore up rapidly declining market prices for tin.

While international supply and demand for tin had remained sluggish for some time, a tin "crisis" was triggered when non-member ITC countries, such as Brazil and Bolivia, boosted production in all out efforts to repay huge external debts.

The commodity agreements Watanabe referred to envisage maintenance of international tin prices by flexibly manipulating buffer stocks held by ITC members.

Meanwhile, British Prime Minister Margaret Thatcher has sent a letter requesting Nakasone to cooperate with tin rehabilitation.

NAKASONE, SOLARZ DISCUSS TRADE DEFICIT, LIBYA

OW090913 Tokyo KYODO in English 0828 GMT 9 Jan 86

[Text] Tokyo, Jan. 9 KYODO -- Prime Minister Yasuhiro Nakasone told United States Congressman Stephen Solarz Thursday that he and his staff are considering a long-term solution to trade disputes. The New York Democrat, in a half an hour meeting with Nakasone, warned of anti-Japanese sentiment in Congress over the huge trade deficit, estimated at 50 billion dollars in 1985. He pressed Nakasone to sharply increase imports from the United States, Japanese officials said.

Solarz, chairman of the House Subcommittee on Asian and Pacific Affairs, has been in Tokyo since Wednesday as one of 18 U.S. parliamentarians visiting Japan this month in four separate groups. Among them will be Republican Senator John Danforth, and Congressmen Theodore Weiss and Thomas Foley, who will arrive in Tokyo on Friday, Sunday and Monday, respectively.

The prime minister told Solarz Japan does not regard the present trade imbalance as reasonable and that the government has urged business corporations to expand imports from the U.S. Nakasone was also quoted as saying that he has established an advisory body to study solutions to trade disputes with foreign countries from a long range point of view.

Solarz asked Nakasone to join President Ronald Reagan in taking economic sanctions against Libya. Nakasone, however, made no commitment to the request, the officials said.

MOSS REACHES FINAL TELECOMMUNICATIONS ACCORD

OW091029 Tokyo KYODO in English 1015 GMT 9 Jan 86

[Text] Tokyo, Jan. 9 KYODO -- Japan and the United States Thursday reached final arrangement on radio telecommunications issues after three days of subcabinet-level MOSS (Market-Oriented, Sector-Selective) trade talks, the Ministry of Posts and Telecommunications said Thursday. The agreement put an end to the MOSS talks on telecommunications equipment that have been held since January 1985.

U.S. negotiator Clyde V. Prestowitz, counselor to the U.S. secretary of commerce, told a press conference in Tokyo that the U.S. highly appreciated the result.

Agreement was reached on all eleven U.S. requests including the reduction of number of technical standards for receivers from 10 to one, the acceptance of manufacturer's test data, licensing of radio stations and allocation of radio frequencies. The agreement will expand opportunities for foreign firms, on a fully equal basis, to obtain radio station licenses so that they can operate in a variety of new and existing radio services, Prestowitz said. Such services include specialized mobile radio services, mobile data communications, paging and community repeater type operations.

Under the agreement, the MKKK (Radio Equipment Inspection Institute) which certify products, will exclude officials affiliated with Japanese manufacturers from its executive staff.

The ministry is expected to review ministerial regulations and ordinances and amend the radio law. Both sides previously agreed to implement those measures by June. The ministry also agreed to base approval procedures for radio equipment on the same regulatory concepts that apply to telecommunications terminal equipment.

Japan and the U.S. have held separate MOSS talks on four areas of interest to the U.S. -- telecommunications, forestry products, electronics, and medical equipment and pharmaceuticals. Japan wished to conclude all the talks by Friday when Japanese Foreign Minister Shintaro Abe and U.S. Secretary of State George Shultz meet in Washington.

U.S. FOREST PRODUCE TARIFF DISPUTE SETTLED

OW101037 Tokyo KYODO in English 1031 GMT 10 Jan 86

[Text] Tokyo, Jan. 10 KYODO -- Overcoming a dispute over forest product tariffs, Japan and the United States have reached basic agreement after year-long sectoral talks, a senior Foreign Ministry official said Friday. The official said Foreign Minister Shintaro Abe and Secretary of State George P. Shultz will formally conclude the accord during their talks in Washington Friday. The dispute has centered on the size of Japanese duties on American plywood and other forest products but its resolution is paving the way for formal conclusion of sectoral negotiations on forest products, telecommunications, electronics, and pharmaceuticals and medical equipment.

President Ronald Reagan and Prime Minister Yasuhiro Nakasone have appointed Shultz and Abe to oversee the Market-Oriented Sector Selective (MOSS) talks in the four fields which began shortly after the Japan-U.S. summit in Los Angeles in January 1985. The Reagan Administration had opted for sectoral negotiations rather than retaliatory steps and other countermeasures, to gain greater access for these products in Japanese markets.

The agreement on forest products came only a day after the two countries announced agreement in Tokyo on wireless telecommunications equipment in time for the arrival here Friday of a U.S. congressional delegation, led by Senator John C. Danforth, R-Mo., the chairman of the Senate Subcommittee on International Finance. The accord also means that the United States has abandoned a request to Japan, albeit temporarily, to completely eliminate tariffs on plywood. Under the agreement, Japan will reduce tariffs on many forest products in April 1987.

Danforth is the sponsor of a bill seeking reciprocity from Japan in the telecommunications field.

The Foreign Ministry official said that Japan and the United States may resume sectoral negotiations on the fields in question in the future, if necessary. Japanese trade negotiators, however, have cautioned that the Tokyo government faces tough going in trade talks with the United States, where Congress has threatened to pass protectionist legislation to protect the domestic industry.

The trade talks concern automobiles and telecommunications, among other products. Japan has voluntarily curtailed its auto exports to the U.S. market since 1981. Japanese car shipments to the United States for the current fiscal year are being kept to 2.3 million units.

ESAKI URGES MORE BUSINESS INVESTMENT IN U.S.

OW091059 Tokyo KYODO in English 1019 GMT 9 Jan 86

[Text] Tokyo, Jan. 9 KYODO -- Masumi Esaki, the minister named to take charge of coordinating Japan's external trade policy, Thursday urged Japanese business to invest more in the United States in order to promote employment among Americans.

Such investments could help remove trade frictions between the two countries, he said in an interview with KYODO NEWS SERVICE shortly after Nakasone asked him to take the job.

Esaki's appointment is expected to be formalized at a cabinet meeting Friday. He said the government also welcomes more U.S. investment in Japan.

Esaki, a former Minister of International Trade and Industry, will plunge into his new job with a meeting with U.S. Senator John Danforth, chairman of the Senate International Trade Subcommittee who is arriving in Japan Friday for a visit.

In his interview with KYODO, Esaki said he plans to present Japan's case in his meeting with Danforth, arguing the necessity for both Japan and the United States to share their burden in order to reactivate the world economy. "An international division of labor between Japan and the United States is necessary for activating the world economy," he said. Outlining his thinking about economic frictions Esaki said it was important for Japan to act in concert with other developed nations.

DPRK TEAM TO COME VIA BEIJING FOR SAPPORO GAMES

OW100029 Tokyo KYODO in English 0013 GMT 10 Jan 86

[Text] Sapporo, Jan, 10 KYODO -- A North Korean team for the first Asian Winter Games in Sapporo in March will arrive here by air via Beijing, instead of coming directly from Pyongyang, organizing committee sources said Friday. The 81-member team will go to Beijing and receive entry visas from the Japanese Embassy there, which is the normal entry procedure in the absence of diplomatic relations between Japan and North Korea, according to information reaching the committee.

When a university sports meet was held in Kobe in western Japan last year, the Japanese Government gave special permission for a North Korean team to fly from Pyongyang to Narita Airport by a direct North Korean flight. The North Koreans asked to be allowed to make a similar special flight for the forthcoming Sapporo meet, but the request was refused, according to the sources.

The North Korean team will arrive at Narita Airport in two groups -- a 46-member group February 12 and a 35-member group February 19. The games will take place March 1-8.

NAKASONE PICKS MEIJI SHRINE FOR NEW YEAR'S VISIT

OW091200 Tokyo KYODO in English 1149 GMT 9 Jan 86

[Text] Tokyo, Jan. 9 KYODO -- Prime Minister Yasuhiro Nakasone paid new year homage at Meiji Shrine, not Yasukuni, Thursday. Nakasone said he has no plan this time to pay a visit to the Shinto Yasukuni Shrine dedicated to 2.4 million Japanese war dead and 14 major war criminals. He last visited Yasukuni on August 15 last year on the 40th anniversary of the end of World War II. Asian neighbors, particularly China, were angered about the visit which they said hurt the sentiment of Asian people. Nakasone paid a new year visit to Yasukuni Shrine in 1984 and 1985.

Meiji Shrine, dedicated to the spirit of Emperor Meiji (1852-1912), grandfather of Emperor Hirohito, has long been most popular among new year shrine visitors. Nakasone donated an unknown amount of money to the shrine from his pocket, his secretary said. Asked whether he will visit Yasukuni during its autumn festival, Nakasone replied he will decide on it at that time.

FOREIGN MINISTRY SPOKESMAN ON U.S.-LIBYA CRISIS

SK091439 Pyongyang Domestic Service in Korean 1300 GMT 9 Jan 86

[Statement issued by the Foreign Ministry spokesman in Pyongyang on 9 January]

[Text] The United States and Israel are now carrying out military operations on a large scale to attack the Socialist People's Libyan Arab Jamahiriya. The United States is assuming an offensive posture by massing tens of warships and aircraft belonging to the U.S. imperialists' 6th Fleet of the Mediterranean Sea on the sea in front of Libya. It has had U.S. forces in West Europe on alert and has successively mobilized special planes carrying military hardware from the U.S. mainland. In addition to this, the United States has taken economic and diplomatic sanctions against Libya and has forced its allies to join this action. The United States threateningly said that if Libya does not give in to this action, it will take another action.

Boisterously babbling about a retaliatory action with the United States, Israel has taken an offensive posture against Libya and has sent its aircraft to a U.S. aircraft carrier on the Mediterranean Sea.

The development of the situation clearly shows that the U.S. imperialists and the Israeli Zionists have brazenly embarked on the road of an armed aggression and interference against Libya. This is a piratical infringement upon the sovereignty and territorial security of the Socialist People's Libyan Arab Jamahiriya and is the most outrageous international terrorism. Because of such a reckless act committed by the United States and Israel, an extremely strained situation of the brink of war has developed on the Mediterranean Sea and in the Middle East.

The DPRK Government and the Korean people strongly denounce this new aggressive maneuver as a grave provocation against the Socialist People's Libyan Arab Jamahiriya and the Libyan people, as piratical interference designed to strangle, with arms, newly emerging independent countries traversing the anti-imperialist road of independence, and as a brazen violation of world peace.

Deliberately linking the bombing incidents that recently occurred in Rome and Vienna with Libya, the United States and the Israeli Zionists have raved that they will militarily chastise this country. However, they will be unable to justify their aggressive acts, no matter what means they may use. The frantic maneuvers of the United States and Israel much more clearly show that they are ringleaders who have ceaselessly caused the situation to be engulfed in disputes in the Middle East and the Mediterranean Sea region and who have disturbed world peace. Because of this, all the peace-loving people of the world unanimously condemn the act committed by the United States and Israel. The United States and the Israeli aggressors should immediately stop the acts of aggression, interference, and threats against Libya.

The Libyan people have resolutely confronted the threat of the U.S. imperialists and the Israeli aggressors and are overflowing with a firm resolve to resolutely struggle to the end to safeguard the sovereignty and dignity of the people and peace. The peace-loving people of the world will firmly stand by the people who always struggle to safeguard independence and oppose aggression.

The imperialist aggressors should realize that gone forever are the days when they were able to oppress and dominate the peoples of small and weak nations at their own will through military aggression and threats.

Just as they did in the past, the Korean people will always stand firmly by the anti-imperialist Libyan people and will positively support and encourage their just cause of opposing the U.S. imperialists and the Israeli aggressors, by exerting every possible effort

[Dated] 9 January 1986, Pyongyang

NAVAL BOAT SEIZES JAPANESE BOAT IN EAST SEA

SK100500 Pyongyang Domestic Service in Korean 0444 GMT 10 Jan 86

[Text] A naval patrol boat of the KPA seized a Japanese boat that had illegally intruded deep into the territorial waters of our country. Around 0820 today, a naval patrol boat of the KPA seized a Japanese boat, the "Kaisei Maru No 55," which had illegally intruded deep into the territorial waters of our country southeast of (Nahung), South Hamgyong province. The organ concerned is now investigating the seized Japanese boat.

OLYMPICS TALKS CLOSE; TO MEET AGAIN 10-11 JUNE

SK101140 Pyongyang KCNA in English 1042 GMT 10 Jan 86

[Text] Geneva January 10 (KCNA) -- The second Lausanne joint meeting of delegates of the International Olympic Committee [IOC] and the Olympic Committee delegates of the North and the South closed on January 9. The second-day meeting was also held in camera.

After a bilateral meeting between the IOC side and our delegates that day a bilateral meeting between the IOC side and the delegates of the South side took place. Then the joint meeting of the IOC delegates and the Olympic Committee delegates of the North and South was held. After the meeting President of the IOC Juan Antonio Samaranch met with reporters. He first read out the communique of the International Olympic Committee on the joint meeting. He said: At the meeting this time, the Olympic Committee delegation of the Democratic People's Republic of Korea showed an affirmative stand.

Chin Chung-kuk, vice-chairman of the DPRK Olympic Committee and deputy head of our delegation, met with reporters. He said that at the meeting the Olympic Committee delegation of the DPRK advanced realistic and flexible proposals and made sincere efforts to realize the co-hosting of the 24th Olympic Games. He noted that as all sides advanced various proposals, had a sincere discussion and thereby narrowed down differences.

Discussion took place repeatedly with regards to sports events to be held in the northern half of the republic and it was agreed to have concrete negotiations in the future, he pointed out. Pointing to matters agreed upon at the second meeting, he said: In sports events linking the two areas of the North and the South, it was agreed to hold one long distance bicycle race with the North as the starting point and Seoul as the destination and hold the other with the South as the starting point and Pyongyang as the destination on the principle of impartiality.

In regard to the cultural functions of the 24th Olympic Games, an initial agreement was reached on organizing them in Pyongyang and Seoul on the principle of equality. He further said that at the meeting the question of the co-hosting of the 24th Olympic Games and formation of a single team of the North and the South for its participation in the 24th Olympic Games was discussed under the supervision of the International Olympic Committee and the parties concerned would make continued efforts to realize the formation of a single team. At the meeting this time, however, we failed to reach a final agreement on all the matters submitted, he said, and noted: The delegates of the IOC and the Olympic Committee delegates of the North and the South agreed to hold the third joint meeting in Lausanne on June 10 and 11 this year to solve the unsettled matters.

RADIO SPECIAL ARTICLE URGES COHOSTING OLYMPICS

SK100526 Pyongyang Domestic Service in Korean 0840 GMT 9 Jan 86

[Unattributed special article: "The Proposal for Cohosting the Olympics Is a Most Reasonable and Practical Proposal That Must Be Realized Without Fail"]

[Text] In his 1986 new year's address, the great leader Comrade Kim Il-song has taught: This year the North and South, both proceeding from the genuine stand of hastening national reunification, should make serious efforts to narrow the differences in views and reach agreements. Today, our proposal for the cohosting of the 24th Olympic Games by the North and South of Korea is winning greater support and sympathy with each passing day among the world's vast sports, social, and political circles. In light of the noble spirit of the Olympics, in light of the dangerous reality facing the Olympics, and in light of the national aspirations for reunification, our proposal for the cohosting of the Olympics by the North and South is a just and fair proposal that must be realized without fail. Our proposal for cohosting the Olympics is a most practical and reasonable one capable, first and foremost, of rescuing the Olympic movement, which now faces the danger of a split.

As is well known, the Olympiad is an international festival that assumes as its sacred spirit the promotion of peace, harmony and friendship among various peoples through sports. How to choose the venue for the Olympiad is a very important question determining whether or not the Olympics will live up to this spirit. This being the case, the venue for the Olympiad should be chosen from among places where peace and stability is guaranteed, where there are no political troubles at all, and where democratic freedom is ensured, in accordance, as a matter of course, with this spirit of the Olympics.

In light of the lesson of the Los Angeles Olympics, which was boycotted by many countries out of consideration for the Olympic spirit and the lives and personal safety of the athletes, Seoul of South Korea is in no sense an appropriate place for the Olympics. South Korea today is not only the most dangerous source of a thermonuclear war among the various places in the world, but it is also a place where the vast armed forces of the North and South are sharply standing face to face across the Military Demarcation Line. Because of this, a dangerous situation capable of plunging the country into a formidable nuclear holocaust as a result of any small accidental element constantly exists on the Korean peninsula. Also, South Korea, a very unstable place in political terms, is a site where human rights are the most tragically trampled underfoot in the world.

In South Korea, where the military fascist dictatorship reigns supreme, murder, robbery, and terrorism are being committed openly. It is apparent that in such a place, young people of both sexes coming from various countries in the world, across mountains and oceans, with great hopes and ambitions, cannot participate in the games with joy and happiness, and without knowing any fear or terror. Because of this, a great number of the nonaligned and Third World countries, including the socialist countries, are now about to boycott the Seoul Olympics. Because of this, the Olympics now face the danger of a split. This is not something that we can watch from the sidelines with our arms folded.

The world's peace-loving people and sports figures unanimously hope that the Olympic movement will safeguard its noble spirit and that the games will be played according to their own spirit.

We proposed that the North and South of Korea cohost the 24th Olympiad after deliberating and taking into consideration all such problems. If and when our proposal for the cohosting of the Olympics is realized, all countries, including the countries that have opposed the choice of Seoul as a venue for the Olympics and mulled a boycott of the games, will participate in the Olympic Games, with one half held in Pyongyang and the other half in Seoul. If this happens, the Olympic movement will regain its former glory and emerge from a crisis.

Also, our proposal for the cohosting of the 24th Olympiad by the North and South is a most reasonable proposal capable of greatly contributing to preventing the country from being divided perpetually and to hastening the independent and peaceful reunification of the country. As is well known, South Korea is not a sovereign state, but a complete colony of the United States. Not only do a great number of the nonaligned countries and the Third World countries, not to mention the socialist countries, not recognize South Korea as a sovereign state, but they have also established no relations of any kind with South Korea. Thus, judging from all aspects, South Korea is a site that is completely disqualified as a venue for the Olympics.

It was because of the impure political plots and machinations of the splittists who are bent on fabricating two Koreas that Seoul of South Korea has been chosen as a venue for the Olympics. By inviting the sports organizations of the socialist countries, the nonaligned countries, and the Third World countries that do not recognize the puppet South Korean regime to come to Seoul, taking advantage of the Olympics, the splittists who do not want peace in and peaceful reunification of Korea are trying to elevate their position by making South Korea appear to be a sovereign state. Through this, the splittists are also trying to conjure up an atmosphere sufficient for rationalizing the military occupation of South Korea by the U.S. imperialists and perpetuating the division of our country and people.

Therefore, if the Olympics are hosted by any one part of the divided Korea alone, it will only result in further encouraging the splittist maneuvers to perpetuate the division of Korea and to fabricate two Koreas and in further exacerbating confrontation and hostility between the North and South. However, if half of the Olympic Games are held in Pyongyang and the other half in Seoul, as we have proposed, and if the North and South participate in them by forming a single North-south team, not only will the confrontation and hostility between the North and South be dissolved and trust and unity between the North and South be promoted, but it will also make a great contribution to preventing the perpetual division and to hastening peaceful reunification of the country as well.

Also, our proposal for the cohosting of the Olympics by the North and South is a most just proposal capable of helping not only dissolve the misunderstanding and distrust between the North and South, but also of having a good impact on the North-South dialogue being held in various forms. One of the fundamental obstacles separating the North and South is the distrust and misunderstanding that has accumulated between the North and South in the course of the continuation of the division. Because of this, the North and South are antagonistic toward each other, each regarding the other with jealousy, and are locked in a sharp standoff.

If such a situation is left to continue, the people of the same origin will remain without harmony and dialogue will make no headway even if it is conducted. For the North and South to trust each other and to promote mutual harmony is a question of life and death. Our proposal for the cohosting of the Olympics proceeds from the aspiration to dissolve the distrust and misunderstanding that exist between the North and South, to promote national harmony and unity, and, going one step further, to contribute to providing preconditions for peaceful reunification.

However, the persons in authority in South Korea persistently insist on their own unilateral hosting of the Olympics, while refusing to accept our proposal for cohosting.

If the North and South understand the seriousness of the differences in views of both sides in the discussion of issues and sit together for this purpose, they will be able to find methods acceptable to both sides. In this way, not only will the North and South have to host half of the Olympics in Pyongyang and half in Seoul, respectively, but they will also have to display before the entire world national wisdom and spirit by participating in the games through the formation of a single team. This will lead to dissolution of the distrust and misunderstanding that exist between the North and South, to the promotion of national trust and unity, and, going one step further, to the achievement of a good impact on the North-South dialogue of various forms being conducted at present. If the persons in authority in South Korea are genuinely faithful to the Olympic spirit and respond affirmatively to it at an early date.

COMMENTATOR SCORES REMARKS OF SOUTH FIGURES

SK090201 Pyongyang Domestic Service in Korean 1149 GMT 3 Jan 86

[Commentary by Station Commentator Cho Tong-ik: "A Vicious Plan Hidden Behind a Smoke-screen"]

[Text] On the first day of the new year, the South Korean dictator read a so-called new year's message. Following this, fellows holding such offices as the chairman of the DJP, puppet president of the Supreme Court, speaker of the National Assembly, and deputy premier issued their new year's messages, respectively.

In their new year's message, they employed such words as unification, advanced status, respect for people's basic rights, and parliamentary democracy, as if they were competing for the use of beautiful words. Such words, however, were nothing but deceptive and cajoling words employed to make a fool of the people.

Hidden behind such a smokescreen is their treacherous intention to rush on a path of treachery, division, confrontation, and fascism again in the new year, when this is judged in comparison with the other moves by the puppets before and after New Year's Day, it becomes clear what the puppets are pursuing. The very next day the puppet repeated the word reunification in his new year's message, a fellow holding the office of the puppet minister of the National Unification Board since in a new year's interview with a South Korean broadcasting station that the so-called superior national strength constitutes the foundation of dialogue. In the meantime, the puppet administration pledged that it would deepen and strengthen ties with such allies as the United States and Japan, while placing the basic direction of this year's diplomacy on strengthening security and diplomacy with a view to settling peace.

Since the dialogue between the North and South is conducted to improve North-South relations and to solve the reunification question, both the North and South should approach the dialogue with good intentions, proceeding from a stand to genuinely hasten reunification. Only in this way will the dialogue come to fruition.

The puppets' prattling about approaching the North-South dialogue based on the so-called superior national strength is basically the opposite of such a sincere attitude toward dialogue. It is an expression of the confrontation line that is incompatible with dialogue. It is also well known that the puppets' clamor for the preservation of peace is nothing but a slogan for the perpetuation of division. While currying favor with the U.S. and Japanese aggressors and toeing their lines, the puppets are trying to extract support from the U.S. and Japanese aggressors for their pursuit of confrontation and war lines and to have the perpetuation of the division established as a fait accompli in the international arena on the strength from the support of the U.S. and Japanese aggressors. Who would believe the tune of reunification coming from the mouth of such fellows at its face value?

The reunification stood for by the puppets is a false reunification. And there can be no interpretation of their babbling about dialogue other than that they are attempting to use dialogue as a means to perpetuate division and to pursue confrontation. The respect for rights and democracy uttered by the puppets in authority in their new year's messages are two-faced hypocritical prayers. This is well shown by their very next babbling about abiding by the law and order and about the establishment of the administration run on the basis of law. How can the people's rights be defended and how can democracy be established within the framework of the fascist evil law currently in effect in South Korea which systematically tramples underfoot the basic democratic freedom and rights of the people, while legalizing the unlimited tyranny of dictator?

The puppets' preaching is like a contradictory theory that people can remain free only when they are in a noose. In reality, before and after New Year's Day, the puppets created a murderous whirlwind of suppression by mobilizing some 100,000 policemen and hundreds of thousands of intelligence agents, while issuing suppressive orders in succession. At the same time, they subjected in succession the patriotic students and personages calling for freedom and democracy to severe punishment and openly extended their evil hands of suppression even toward the opposition parties.

No matter how strongly they may tout, the puppets can never pretend that they are the advocates of human rights and democracy. Under circumstances in which the South Korean economy is being driven deep into a catastrophic hole due the heavy burden of foreign debts and stagnant exports, the puppets' advertisement about growth and stabilization of the people's livelihood on New Year's Day is nothing but a pipe dream like attempting to build a house on sand.

Not only are the puppets incapable of putting the South Korean economy and people's livelihood on a right track, but they also have no intention to do so. Simply put, the monologue uttered at the very beginning of the new year by the puppets in authority, including traitor Chon Tu-hwan, are nothing but cajoling and tricky words designed to win over public support and to mislead public opinion while making the South Korean people believe that the puppets will bring something to them.

Nevertheless, people know somebody's true intentions not by his words, but by deeds. Whatever game of words the puppets may play, they can never deceive the people, nor their treacherous nature. If the puppets continue to rush on the path of treachery running counter to the people's aspirations again this year, they should clearly understand that they will only hasten their demise.

VNS TALK EXTOLS VIRTUES OF KIM CHONG-IL

SK080200 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT
31 Dec 85

[Roundtable talk among an unidentified female moderator, station commentator Yun Chong-won, and station announcer Ko Il-chol: "The Happiness To Hold the Outstanding Leader in High Esteem"]

[Text] [Moderator] We have gathered here with Madam Yun Chong-won and Mr Ko Il-chol. We greeted the 40th anniversary of liberation on 15 August. This year we realized the exchange of home-visiting groups of family members separated in the North and South for the first time, along with the exchange of performances by artists of the North and South. This year we witnessed many significant events in the history of the people. Many people paid attention to matters concerning reunification and the future of the people. Because these matters are directly related to the leadership of the people, the people's feelings of reverence and admiration toward the dear leader Comrade Kim Chong-il were very great this year. I think this was the major trend of public sentiment. Therefore, I would like to discuss this issue. Who would like to speak first?

[Yun Chong-won] I think you have raised a very important question. In discussing this issue, I would like to treat the subject in general before proceeding to the main subject. The rise and fall of a people depend on their leader. This is crystal-clear even to elementary school children. Because of this, it is natural for us to think of the matter of the leader when we consider the destiny of the people. People say that reality is the supreme witness and that seeing is believing. The personality of the leader is eloquently and concretely reflected in and by his achievements. Although our people had heard and learned that President Kim Il-song's *chuche* cause was brilliantly inherited and developed by Comrade Kim Chong-il in North Korea, they had rarely had an opportunity to personally confirm this with their own eyes, as they did this year. As noted previously, conditions for exchanging visits between the North and South were provided this year through the exchange of the home-visiting groups and the artistic troupes and through the convocation of Red Cross talks. Thus, we had opportunities to directly witness everything. Of course, there are limits when we cite instances in which a small number of people who had prejudices against North Korea commented on it after visiting it for a few days. Nevertheless, we learned many things about Comrade Kim Chong-il, an outstanding leader, and feelings of reverence and admiration toward him increased much more than ever before.

[Ko Il-chol] That is right. Those people who had a little bit of conscience talked about the happiness of holding in high esteem such a great man like Comrade Kim Chong-il as the leader of the people after visiting North Korea.

[Moderator] Would you please discuss the points they cited in their remarks.

[Ko] There are words such as wisdom, benevolence, and courage. These words concisely represent the trait of the great man. People say that Comrade Kim Chong-il is the great man of the century who possesses wisdom, benevolence, and courage. Asked about the most impressive thing they witnessed while visiting North Korea, many people who had visited North Korea unanimously said that the people were alive. An executive member of a newspaper office, describing North Korea, in a word, as *chuche*, said that the *chuche* idea is a pronoun for North Korea and something whole that determines the value of North Korea. The spirit of independence is greatly stressed in North Korea.

As you know, the *chuche* idea, which respects man and the people, is the idea invented by President Kim Il-song. Comrade Kim Chong-il is a great thinker who, upholding this *chuche* idea, has energetically exerted efforts to comprehensively materialize this idea in society, not sleeping or pausing to rest. Those people who had visited North Korea said that they personally felt this and were greatly impressed by this. They said that what most caught their eye in North Korea was the word *chuche*. An artist who had visited Pyongyang frankly said that he was unwittingly excited when seeing slogans written on the roof of a building, reading "Let us imbue society with the *chuche* idea," "The idea, techniques, and culture in accordance with the requirements of *chuche*," and "Let us live in our own style."

He said that, realizing that these slogans had been set forth by Mr Kim Chong-il, he had unwittingly felt that his heart throbbed with respect for him. He further said that he had failed to find foreign fashions and toadyist ideology in North Korea. He said that North Korea was a great contrast to South Korea.

[Yun] How great the feelings of respect, reverence, and admiration toward Comrade Kim Chong-il, who is consistent with the *chuche* idea, are among our people has been reflected by our people's excited response to his work on the *chuche* idea. This booklet was greatly disseminated in secret on the 40th anniversary of liberation.

Having received this booklet for the first time, Professor Kim of a university in Seoul said, at a meeting of an ideological organization of his students held in the middle of October of this year, that there was no idea as great as the *chuche* idea, which helped one develop his true outlook on life and on society and history and his strength and will. He then ardently urged students to read Mr Kim Chong-il's treatise on the *chuche* idea so that they could sincerely work for the masses, the people, and mankind.

[Ko] The case of this professor is not the only instance. Today, many people are absorbed in reading Comrade Kim Chong-il's treatise on the *chuche* idea, describing it as a textbook explaining the truth about man's true life and as the people's great charter clearly indicating their path of advance. They are pioneering their future path by regarding this treatise as a maxim. I think this is the important characteristic aspect of the trend of public sentiment this year. The emergence of *chuche* idea study teams throughout the country this year concretely represents this.

[Moderator] You have made excellent comments. As briefly noted previously, the rise and fall of a people depend on how successfully the leader of that people develops the national spirit of *chuche*. Accordingly, it is very natural that the people's feelings of respect, reverence, and admiration toward their leader spring from their feelings of sympathy with the national spirit of *chuche*.

[Yun] I think the outstanding leader of the people is not only a person who possesses a great idea but also a great man bestowed with a gift as a leader playing a great role as a central figure who unites the people into one entity. In this regard, Comrade Kim Chong-il is a great man who possesses the trait of being an outstanding leader of the people. As noted previously, what most impressed those who had visited North Korea was the fact that they felt the people were alive. I think this is important. However, what is much more impressive than this the fact that the North Korean people are united into one entity. This has been recognized even by those who adhere to an anticommunist ideology. What is the secret of the ironclad unity of the North Korean people? Fearing the grand unity of North Korea, those government-patronized reporters who visited North Korea and some anticommunist-oriented people have boisterously called for achieving grand national unity in South Korea in order to cope with this unity. However, grand national unity in this land is unimaginable. I believe that, under circumstances in which ruling and opposition parties are fighting each other in the National Assembly, achieving grand national unity is an unreal desire -- a desire to pluck stars from the sky. In contrast to this, all the people are united around President Kim Il-song and Comrade Kim Chong-il as one entity in North Korea. A reporter of newspaper in Seoul has said that the unity of the North Korean people is one that cannot be destroyed by atomic bombs, and that this unity is much more powerful than atomic and hydrogen bombs.

[Ko] You have just pointed out the secret of unity. As a matter of fact, this is an insoluble riddle for the South Korean people. It is true that many people have strived to learn this secret, like trying to resolve a difficult riddle.

Considering the matter carefully for several days during his visit to North Korea, university professor concluded that the presence of such a great guiding idea of the people as the *chuche* idea and the warm love shown by the great leader President Kim Il-song and by the dear leader Comrade Kim Chong-il for the people is the united trait of North Korean society -- the composition of feelings of endlessly trusting, respecting, revering, and admiring one's leader [suryong] and leader [chidoja].

[Moderator] I think this is a view of the situation of North Korea based on judgment and an analysis worthy of a professor.

[Yun] I would like to make the following comment: People say that the unity of a people is the source of its might. However, the unity of a people is not achieved automatically. Moreover, this unity is not achieved through a coercive measure. The unity of a people can only be achieved through guidance by a proper leader. Many people who have visited North Korea said that they realized this through reality, even though their visits lasted a short period of time.

A member of a Red Cross delegation that has visited Pyongyang said that he was greatly moved when he came to know Comrade Kim Chong-il's idea on the unity of the people with the leader of the people as a central figure. He said that this idea is one that he has presented to the world for the first time and that, because they receive the guidance of such an outstanding leader, the North Korean people have achieved such great unity as we see today. Crew members of the fishing boat "Kyeyong 2" made similar remarks after returning from North Korea in October of this year.

[Moderator] Because of the organizational and magnanimous capability to unite the people into one entity, our people single-heartedly look up to and revere and admire dear Comrade Kim Chong-il as the outstanding leader of the people.

[Yun] In this context, this year was of great significance in that our people personally and truly confirmed and kept deep in their hearts the central point and strength of the unity of the people. This year English and Japanese editions of a booklet on Comrade Kim Chong-il entitled "The Great Leader Kim Chong-il" circulated among the people in secret. Reading this booklet with pleasure, people say that it is the best-seller of the year. Thus, this booklet has evoked a world-wide sensation.

[Moderator] I believe that when we talk about the outstanding leader of the people, we should refer to the people's treasure -- that is, the achievements attained by the leader in building a welfare society for the people.

[Ko] That is right. This is a very important issue. Just as Madam Yun said previously that seeing is believing, there had been no such time as this year when, although our people have talked about Comrade Kim Chong-il, an outstanding leader overflowing with a passion and with an ambitious spirit, they had an opportunity to actually have contacts with his leadership achievements. Having visited Pyongyang, many people unanimously referred to the construction of Pyongyang into a magnificent city. They said that they were astonished upon hearing that great edifices, such as the grand people's study hall, the arch of triumph, the tower of the chuche idea, and the Kim Il-song stadium, were built in a few years under the guidance of Comrade Kim Chong-il.

[Yun] Referring to his impression of Pyongyang, a businessman whose hometown is Pyongyang said that, although he knew Pyongyang by the existence of the Taedong River and Moranbong hill, he could not imagine that Pyongyang had been built into such a beautiful and modern city until he saw the construction of Pyongyang into a modern city for himself.

[Ko] Members of the home-visiting group, artists, and members of a Red Cross delegation who have visited North Korea were greatly astonished at seeing residential areas, cities in a city, such as Munsu, Changgwang, and Nagwon streets, which were built in the period of a few years.

Such a wonderful construction speed can only be realized through the energetic guidance of a popular leader overflowing with an ambitious spirit and with passion.

[Yun] You have just referred to a wonderful construction speed. People say that when one visits North Korea, one sees billboards on which the words speed battle are written. Those who visit North Korea for the first time ask what these words mean. It is said that the speed battle is a basic form of battle for socialist construction set forth by the dear Comrade Kim Chong-il. The requirements of the speed battle are to carry out work as quickly as possible through the mobilization of all capabilities at full capacity and to guarantee that the quality of this work will be of the highest level. People were once again astonished upon learning that a leap has been brought about in socialist construction in North Korea through the fulfillment of the requirements of the speed battle. It is not accidental that a businessman describes Comrade Kim Chong-il as the genius of creation and construction. There has been no instance in which the leadership and care of the dear Comrade Kim Chong-il has not reached all sectors in North Korea, including the industrial, agricultural, education, and public health sectors. It is not accidental that South Korea's MBC television attracted public attention in April of this year by carrying the image of the dear Comrade Kim Chong-il.

[Ko] You have just referred to genius. On the occasion of the 40th anniversary of liberation this year, the exchange of artistic troupes was realized between the North and South for the first time. This was a noteworthy festive event in the history of our people. Those who watched the performance by North Korean artists in Seoul and those who watched North Korean performances in Pyongyang equally realized that national art has developed in a wholesome manner in North Korea. An artist who has realized that North Korean art has developed brilliantly as a result of the dear Comrade Kim Chong-il's publishing of many works on the theory of chuche art through the close attention paid to the arts, a powerful means of indoctrinating the people, and, as a result of his careful guidance of artistic activities, he has described Kim Chong-il as the genius of arts.

[Yun] Not only this artist but also those who have insight into the background of the success attained in North Korean art entertain this feeling.

[Moderator] Those who visited North Korea this year have referred to Comrade Kim Chong-il's morality overflowing with love for the people. Would you please briefly explain this.

[Ko] I think we can say many things on this issue. First of all, I would like to briefly say that he has shown great benevolence and consideration for the South Korean people. There is the story of the time of the flood damage last year. According to remarks by reporters who have visited North Korea, it was the dear Comrade Kim Chong-il who organized and guided relief work to quickly deliver large quantities of relief goods to people in South Korea who sustained flood damage. From this single event, we can see how solicitously he has paid attention to the South Korean people. Hearing this, a person in Mangwon-dong, Mapo District, Seoul who had sustained flood damage shouted for the long life of Comrade Kim Chong-il. An increased number of people wrote letters of thanks to him on his birthday and on the 40th anniversary of liberation this year and in the new year's season. At the same time, an increased number of people have prepared gifts for him. This shows that our people's feelings of reverence and admiration toward him have further increased with the passage of time.

[Yun] I would like to cite the instance of the exchange of home-visiting groups in September of this year. This was the first such festive event for our people after an interval of 40 years, since the national division. With fatherly feelings, he expended great care, lest those had come from the South experience the slightest inconvenience in meeting with their family members and relatives in Pyongyang. I think even callous people would shed tears of gratitude upon hearing of this situation.

[Moderator] You have made excellent comments. I believe that it is the matchless happiness and honor of our people to hold in high esteem such an outstanding leader as the dear Comrade Kim Chong'il, an ideological and theoretical genius, the central point of national unity, a leadership artist, and a person who possesses high-level and popular morality. Therefore, our people should bear deep in their hearts sentiments of this happiness and honor and should much more courageously wage the anti-U.S. struggle for independence, the antifascist struggle for democracy, and the struggle to achieve the fatherland's reunification. Thank you for your useful comments.

ECONOMIC CONSTRUCTION ACHIEVEMENTS 'PHENOMENAL'

SK061016 Pyongyang KCNA in English 0810 GMT 6 Jan 86

[Text] Pyongyang January 6 (KCNA) -- Phenomenal achievements were registered in socialist economic construction in Korea last year in which the 40th anniversary of national liberation and the founding of the Workers' Party of Korea were greeted with splendor. Capital construction went ahead vigorously to put fresh muscles into the nation's economic foundations. Last year witnessed the commissioning of 80 odd modern industrial establishments and workshops including the September 21 smelter, the Haeju October 13 youth smelter and the Kusong machine plant. In the construction of the Nampo barrage, an edifice of eternal value, the projects of main structures including the locks and spillways were completed and the test operation of control equipment was carried out to be followed by the successful removal of the cofferdam and filling of locks with water.

The northern railway construction made a fast progress and the roadbed project was completed in the main in the whole length of the line. And most difficult projects were successfully carried out in the construction of the Taechon power station. With the energetic acceleration of tideland construction, the length of the west coast was shortened by more than 520 kilometres and a host of farms, workteams and sub-workteams made their appearance in the reclaimed tideland. Last year a large quantity of modern machinery including a 10,000-ton press and a large oxygen plant were built and introduced into production to further complete the internal structures of industrial domains and increase their independence. The "June, 1985, Let-One-Machine-Took-Make-Another Movement" was waged energetically in the machine-building industry, in the course of which more than 1,000 machine tools were built outside last year's commitments in a little more than five months. The fuel, raw material and power bases of the country were consolidated and a great quantity of equipment was remodelled in the iron and steel industry.

A powerful drive was waged to keep production on a high level in different domains of the national economy, which helped lay a solid material foundation for radically improving the people's life. Upwards of 16,400 new home workteams and sideline workteams were formed in a little more than two months last year to markedly raise the output of consumer goods. All this laid a strong foothold of a new leap for successfully beating the ten long-range objectives of socialist economic construction.

NODONG SINMUN ON EMBODIMENT OF PARTY LEADERSHIP

SK090110 Pyongyang Domestic Service in Korean 2117 GMT 5 Jan 86

[NODONG SINMUN 6 January editorial: "Let Us Thoroughly Embody the Party's Leadership in All Areas of Revolution and Construction"]

[Text] The respected and beloved leader Comrade Kim Il-song, in his new year's address this year, put forth the militant task of constantly strengthening the party and enhancing its leading role. This teaching given by the great leader Comrade Kim Il-song is a programmatic guiding principle that party organizations and functionaries at all levels must firmly adhere to.

This new year, 1986, is an important one in which new progress should be made in the work of our party. This year, we are facing the heavy task of making decisive progress in achieving the great program put forth by the sixth party congress. Only when the militant task for this year is accomplished brilliantly can we open a new aspect in attaining the 10 long-range goals of socialist economic construction of the 1980's. The decisive factor in the accomplishment of this important task is precisely to strengthen the might of the party and enhance its leading role.

Through the struggle waged during the past year, the political force of our revolution was further strengthened and great successes were won in economic construction. This shows that the party's leadership is the factor of all our victories.

At present, the question that we should adhere to in strengthening the combat capabilities of the party and enhancing its leading role is to ceaselessly intensify the work to embody the party's leadership in all areas of revolution and construction.

In his new year's address, the great leader Comrade Kim Il-song has taught: We must further strengthen the organizational and ideological unity of the entire party, which is based on the *chuche* idea, and must thoroughly establish the party's leadership system. All cadres and party members must firmly unite around the party Central Committee, unyieldingly defend the lines and policies of the party, and actively struggle for their implementation.

Establishing the party's leadership system is a fundamental principle in building the party of the working class, and is a key issue in successfully carrying out revolutionary struggle and construction. Therefore, this task should be ceaselessly deepened throughout the period of the party's existence, and should be intensified as the party and revolution face heavier tasks and as the revolution and construction deepen.

Our party put forth unique lines and policies to establish the party's leadership system, and has brilliantly embodied them in the party's work. In particular, the sixth party congress put forth the militant task of establishing a correct work system and revolutionary discipline with which the party's leadership over revolution and construction can be firmly guaranteed. This was an important factor in epochally developing the work of our party.

Through the active struggle of the party organizations, the leadership of the party center has been firmly guaranteed in all sectors and units, and a revolutionary discipline with which the entire party acts as one has been established. Today, our party is displaying its might as an ever-victorious militant party overcoming all difficulties and as a revolutionary party leading the cause of firmly permeating the society with the *chuche* idea. This is because such a revolutionary spirit has been established in the party.

We must further consolidate the successes won in the work of building the party, and must ceaselessly enhance the party's leading role over revolution and construction.

This is required by the reality and prevailing situation in which socialist construction is deepened.

Today, our people are vigorously waging the struggle to comprehensively deepen the three revolutions -- ideological, technological, and cultural -- and, in particular, to develop the economy of the country to a new high stage in the near future. This entire struggle has been organized and is being waged through the tested leadership of our party. Without the tested leadership of our party. Without the tested leadership of our party center energetically leading the party's work and all the work of cultural construction, with thorough knowledge concerning the work, it is impossible to talk about the successes being won in socialist construction. Therefore, the embodiment of the party's work is the most important work for the victorious progress of socialist construction and its bright future.

The tasks to be accomplished this year with regard to the rapid development of the major industries and the railway sector and the improvement of the people's standard of living, as well as for realization of new progress in the development of the science and technology of the country, depend, ultimately, on the embodiment of the party's leadership over revolution and construction.

Today, our people's trust in the party is extraordinarily high, and our revolutionary ranks are sound and powerful. This is because the leading authority of our party -- the heart of the society -- is incomparably high and absolute. In conformity with the demand of the prevailing situation, we must strengthen the unity of the revolutionary ranks and unite the masses of all strata more firmly around the party. To this end, we must continue the work of enhancing the leading role of the party. Through the work to thoroughly embody the party's leadership over revolution and construction, our revolutionary ranks will further strengthen and develop an invincible and loyal ranks that uphold only the ideology and leadership of the party and the leader under all circumstances.

The party organizations and functionaries at all levels must adhere to the work of establishing the party's leadership system as a fundamental task and make all party work serve this. For our party, party work is precisely a task to embody the leadership of the party center. Today, the criterion in carrying out the party's work is the effectiveness displayed in carrying out the work of enhancing the leading role of the party. All party organizations and functionaries must deeply realize that the enhancement of the leading role of the party is the most important work facing our party and revolution today. By so doing, they must deepen this work in accordance with the new demand of the developing revolution. At the same time, the work to educate and remake party members and working people, the party guidance over administrative and economic work, and all other party guidance should be conducted in such a way as to further strengthen the party's leadership system. This is the important task on which the party organizations must place emphasis this year.

In order to thoroughly embody the party's leadership over revolutionary construction, above all, the revolutionary spirit to defend the party's lines and policies firmly and to implement them unconditionally should be established. The party's decisions and directions are the collective opinion of our party and, thus, a guiding principle to which all cadres and party members must adhere. The party's leadership over the revolution and construction is embodied precisely through the struggle to implement the party's decisions and directions. Therefore, functionaries and party members must struggle by regarding it as their principal and revolutionary duty to accept and implement the party's decisions and directions unconditionally. When the party's decisions and directions are received, all guidance functionaries and party members must swiftly grasp their content and work out proper measures and methods to implement them in their units thoroughly and with a stand worthy of masters.

Last year, the party members and working class of Yoongsong, upholding the militant appeal of the party and overcoming all difficulties, successfully manufactured a 10,000-ton press and a large oxygen separator using their own designs and technology. With this absolute and unconditional spirit, we must carry out our revolutionary tasks.

At present, as the new year's battle has begun, it is most important to adhere to the work of implementing the new year's address of the great leader Comrade Kim Il-song. In the new year's address of the respected and beloved leader Comrade Kim Il-song, the urgent demand of socialist construction at the present time and its course have been clearly elucidated. To accomplish the tasks of the new year, including the tasks to develop the major industries and railway sector, improve the people's standard of living, and accelerate the technical revolution vigorously, all functionaries must set bold and high goals and work out concrete measures to attain them. At the same time, the revolutionary zeal of the party members and working people should be aroused, and the production potential should be mobilized to the maximum extent to attain those goals.

Establishing revolutionary discipline in the party is the important requirement for thoroughly embodying the party's leadership over revolution and construction. Revolutionary discipline is the life of the party and the source of its combat capabilities. Only when a firm discipline with which the entire party acts as one under the leadership of the party is established can the tasks for revolution and construction be brilliantly accomplished.

Today, in our party, the spirit with which all party organizations act as a single organic body in accordance with the principle of democratic centralization and all party members work and live in accordance with the established order and the rules of action has been firmly established. This is one of the important achievements won in the work of building our party.

To further strengthen the might of the party, we must highly display the spirit of organizational discipline with which the entire party breathes and acts as one. In carrying out their tasks, functionaries and party members must display the revolutionary spirit of settling all questions through party organizations.

The discipline of our party is a self-motivated one established on the basis of the boundless loyalty of the party members to the party. Party organizations must ceaselessly deepen the ideological indoctrination among the party members. By so doing, they must make all people deeply realize their revolutionary duties, voluntarily uphold the party, and self-consciously respect the discipline of the party. Only when the party members are deeply aware that realization of progress in the revolution and the freedom and happiness of our people are impossible without the leadership of the party and only when they follow the party by depending on the party entirely for their destiny can our party be further strengthened and developed as a powerful revolutionary party with a firm discipline.

All party members must make self-conscious efforts in order to improve the organizational life of the party in a revolutionary manner with renewed determination in the new year. The course of the organizational life of our party members is precisely the course of the struggle to embody the party's leadership. With a high organizational spirit, party members must thoroughly depend on the party organizations in their work and lives. At the same time, they must sincerely implement the decisions and tasks made and given by the party organizations. By so doing, party members must play the role of vanguard in implementing the new year's address of the great leader Comrade Kim Il-song and in thoroughly embodying the party's leadership. To thoroughly embody the party's leadership over the revolution and construction, the leading function of the party organizations at all levels should be enhanced by all means.

Party committees at all levels are facing the important mission and task of embodying the party center's leadership in their respective units.

The militant party organizations vigorously carrying out the revolution and construction in accordance with the party's intent are precisely those that effectively carry out the work of embodying the party's leadership.

Today, the party committees at all levels act as collective guidance organizations that organize and implement the tasks of their respective units. Intensifying the collective guidance of the party committees is the most important principle of the T'aean work system. This principle cannot change, even if socialist construction reaches a high stage. At the same time, this task must be further intensified as the revolution and construction are deepened. This is a principled question that our party emphasizes importantly in improving the overall economic work.

By intensifying collective consultations, the party committees at all levels must correctly grasp the work of their respective units and vigorously carry it out in order to implement the party's intent. In particular, it is important to intensify the organizational and political work to make the party committees of the complexes successfully accomplish their given tasks.

Party functionaries must offer proper party support to help the administrative and economic functionaries work in accordance with the party's intent, and must express their opinion positively and encourage them to thoroughly implement the party's lines and policies.

All party organizations, functionaries, and party members must vigorously struggle to enhance the leading role of the party. By so doing, they must bring about new upsurges in the party work and in socialist economic construction in the new year.

KCNA DENOUNCES SOUTH SENTENCING OF STUDENTS

SK100511 Pyongyang KCNA in English 0503 GMT 10 Jan 86

[Text] Pyongyang January 10 (KCNA) -- The Chon Tu-hwan military fascist clique imposed heavy penalties upon 13 students arrested on charges of involvement in the committee for the Promotion of Democracy, a struggle organisation of the students of Seoul University, and "flag", their underground propaganda material, according to a report.

On January 7, they demanded prison terms of 12 years for An Pyong-yong, a member of the Seoul University Committee for the Promotion of Democracy, and for Hwang Min-chong, chairman of the labour struggle committee, and prison terms up to 10 years for Mun Yong-Sik, chairman of the Committee for the Promotion of democracy, and Yi Chong-un, Min Kwan-mu and others.

Their criminal acts in imposing heavy penalties upon the students who waged an anti-U.S., anti-government struggle, labelling them as "pro-communists", are aimed at justifying fascist repression and cowering the students.

COUNTERMEASURES TO U.S. LIBYA SANCTIONS URGED

SK091221 Seoul KYONGHYANG SINMUN in Korean 9 Jan 86 p 2

[Editorial: "Sanctions Against Libya and Our Stand: With Opposition to International Terrorism"]

[Text] The step U.S. President Reagan has taken at the beginning of the year has virtually severed economic relations between the United States and Libya. This is regarded as having an international impact rather than as a bilateral issue between the two countries. For our country, which is carrying out large construction projects in Libya, and for such U.S. allies as Italy, which is engaged in wide-ranging trade with Libya across the Mediterranean, Reagan's sanction against Libya can have very serious consequences.

In his statement, Reagan warned that U.S. businessman must not participate in Libya's oil production and must not purchase Libyan oil or sell it anywhere in the world, and said that construction and management consultants must not help major Libyan projects. The U.S. President stressed that those Americans who violate his step will be subject to criminal punishment. This warning given by Reagan can be construed as one given in wartime against an enemy nation engaged in hostilities. Reagan's sanctions against Libya are very noteworthy, because they are ultra-extreme sanctions taken by the U.S. Government as never before in the past, even during the Vietnam war during the 1960's and 1970's.

Moreover, if U.S. allies follow the specific 4-point economic sanctions, their relations with Libya, their trade with Libya in particular, will be considerably limited. The U.S. stand is that it cannot allow any trade at all that will eventually support or help Libya in seeking economic sanctions against it.

At this juncture, we fully agree with the U.S. determination to punish international terrorists. Through the Rangoon atrocity in 1983, we gained a bitter experience with terrorism. Therefore, for the cause of preserving the civilized world of the international community as well as for stability, order, and peace, we maintain a firm stand opposing all terrorism.

Nevertheless, we express serious concern over the possibility that the U.S. economic sanctions against Libya will create an international atmosphere which will affect the relations between our country and Libya. This is because the situation of the Libyan market may jeopardize our participation in Libyan construction projects, especially since our construction markets in foreign countries, mainly in the Middle East, are worsening with each passing day.

We hope that Reagan's sanctions against Libya will not adversely affect our Tong-a Construction Company, which is carrying out a waterway construction project in Libya -- the largest project in the history of Libyan construction projects -- and our Daewoo Group, which is engaged in various construction projects in Libya, mainly in the Benghazi area on the coast of the Mediterranean. This is because ROK-Libya relations are relations based on participation in construction, and our construction companies' participation in Libyan construction projects has no political motives.

Our government must seek meticulous and prudent countermeasures over the impact which the U.S. economic sanctions against Libya will have on our construction companies participating in construction projects in Libya. This, we believe, will provide an opportunity to display the independent diplomatic capabilities of our country and the tactical ability to handle political and economic affairs separately in relations with foreign countries. Now is the time, we think, that the government and those concerned must perfectly prepare to seek the national interest with a wise and courageous act.

U.S. SENATE DELEGATION VISITS PUSAN, MEETS MAYOR

SK090953 Seoul YONHAP in English 0841 GMT 9 Jan 86

[Text] Pusan, Jan. 9 (YONHAP) -- Seven U.S. senators met Thursday with Chung Chae-chin, mayor of Pusan, and Chung Chu-yung, president of the Chamber of Commerce, in the south-eastern port city of Pusan. The senators, led by John C. Danforth, chairman of the U.S. Senate Commerce, Science and Transportation Committee, visited Pusan to gain an understanding of the economic situation in Korea's second largest city. They inspected Daewoo Corp.'s factory and the Korea Shipbuilding Corp., and met with Pusan business leaders. Danforth and his party came to Korea Monday for a five-day visit.

NO PROGRESS IN OLYMPICS TALKS; 30 ROUNDS SET

SK100235 Seoul YONHAP in English 0230 GMT 10 Jan 86

[Text] Lausanne, Switz., Jan. 9 (OANA-YONHAP) -- South and North Korean Olympic Officials Thursday ended their second round of talks involving the possible participation of North Korea in the 1988 Seoul Olympics, agreeing only to meet again in five months. As in the first round of talks, held last October, the participants failed to make any substantial progress.

At the end of the two-day conference, sponsored by the International Olympic Committee (IOC), the South and North Korean Olympic Committee delegations and IOC President Juan Antonio Samaranch agreed to hold a third round of talks at the IOC headquarters in this Swiss city on July 10 and 11 [as received]. The IOC will set an agenda for the third round and will inform the two Korean Olympic Committees of the agenda later.

Samaranch said it would be impossible for South and North Korea to co-host the 1988 Olympics as North Korea has demanded, in view of the decisions made by the IOC General Assembly in 1981 in Baden-Baden, West Germany. In a press conference held at the end of the meeting, Samaranch said that North Korea showed a "considerably affirmative attitude" during the meeting and expressed the hope that Pyongyang will accept the invitation to participate in the Seoul Olympics during the IOC-sponsored meetings. He said that the negotiators had made headway in their talks about staging the cycling team time-trial road races passing through both halves of the Korean peninsula and about North Korea's participation in cultural programs during the Olympic Games.

No significant progress was made, however, regarding the entry of the South and North Korean teams as a single delegation in the opening ceremony or the staging of some preliminaries in North Korea, according to Samaranch. Regarding Pyongyang's proposal in the latest meeting that a single inter-Korean team be formed to compete in the 1988 Olympics, Samaranch repeated his earlier position that the IOC will not deal with that matter. He said he understands that the two sides have already sounded out that possibility many times and that the IOC hopes the two sides will continue to meet in an effort to make a breakthrough. Samaranch said he can only wait for the results of that discussion, because it is a matter to be resolved 100 percent by South and North Korea.

The IOC president also said that a Soviet official's threat to boycott the Seoul Olympics if North Korea does not co-host the event would have no affect on the Seoul Olympics. Whether or not the Soviet Union, one of the 161 member-countries of the IOC, participates in the Seoul Olympics is its own problem, he added. Samaranch said he has many reasons to believe that all the IOC member-countries will participate in the Seoul Olympics and that the IOC will do its best to make the 1988 Olympic Games successful.

THE KOREA HERALD Report

SK100128 Seoul THE KOREA HERALD in English 10 Jan 86 p 1, 2

[Text] Lausanne -- The International Olympic Committee decided Thursday to postpone for another five months its drawn-out efforts to reconcile north and south Korea over the 1988 Olympics scheduled in Seoul. A two-day series of meetings between IOC president Juan Antonio Samaranch and the top officials of the rival Korean Olympic committees produced no progress toward agreement over North Korea's demand to "co-host" the 1988 Games, Olympic officials and both delegations reported. A meeting involving Kim Chong-ha, president of the South Korean Olympic Committee [KOC], and Kim Yu-sun, president of the north Korean Olympic Committee, and chaired by Samaranch was suspended after only 15 minutes without result.

Kim Chong-ha told reporters the two delegations agreed with Samaranch to convene for a third session at the Olympic headquarters in Lausanne on June 10 and 11: The two Korean committees first met under IOC auspices last October but failed to reach any agreement other than to meet again. Samaranch met separately with the two delegations as the talks reopened Wednesday.

Kim said in a keynote speech Wednesday that the KOC hopes North Korea will participate in the Seoul Olympics and that it will respect the IOC Charter and the decisions made by the IOC general assembly. North Korea's chief delegate, Kim Yu-sun, president of the North Korean Olympic Committee, however, renewed Pyongyang's demand that it be allowed to "co-host" the 1988 Olympics, although the IOC has already rejected the idea. IOC president Juan Antonio Samaranch has already rebuffed the "co-staging" idea, saying it would warrant a change in the Olympic Charter which stipulates that the Games be held in the country of the chosen city. Seoul was picked as the venue by the IOC more than four years ago and -- with less than 1,000 days to go before the opening ceremony -- most major sites, including the 100,000-seat main stadium, have been built or are nearing completion.

Asked whether South Korea was still prepared to share some preliminary events, chief delegate Kim Chong-ha said, "If the North Koreans withdraw their demand for co-hosting the Games and agree to adhere strictly to the Olympic Charter, we are willing to discuss the issue."

In addition to its co-hosting plan, Pyongyang has demanded that a unified, single Korean team participate in the 1988 Olympics under one flag. But Kim said he had rejected this proposal, adding that the issue was not a matter for the IOC but one to be negotiated solely between the two countries. He stressed that the IOC, although trying to mediate in the row, stood fully behind South Korea in its opposition to splitting the Games. One senior IOC official commented that it was as if you had built a house for yourself and a relative appeared, demanding half of the building just because he was related to you. You could offer him a room, but basically it is your house. He noted that even if there was agreement on staging some events in the north of the divided peninsula, most international sports federations were likely to balk at such an arrangement. Among the events North Korea wanted to host were basketball and marathon, it was said.

Some communist countries have welcomed the idea as "worth consideration", but Samaranch has expressed confidence that they would not boycott the 1988 Olympics over the dispute after all.

NKDP ASKED NOT TO EXCHANGE VISITS WITH JSP

SK091322 Seoul YONHAP in English 1223 GMT 9 Jan 86

[Text] Seoul, Jan. 9 (YONHAP) -- Foreign Minister Yi Won-kyong Thursday asked Yi Min-u, president of the major opposition New Korea Democratic Party (NKDP), again to refrain from exchanging visits of officials between the NKDP and the Japan Socialist Party (JSP). The request was made when the former paid a new year courtesy call on the latter at the NKDP's headquarters here.

During the 20-minute meeting, Minister Yi expressed a concern that a close relation between the two opposition parties might expedite the Japanese ruling Democratic Liberal Party's approach toward North Korea.

The NKDP and the Japanese main opposition party agreed in principle to initiate exchange, when Kim Yong-sam, Korea's leading dissident met with Masashi Ishibashi, JSP chairman in Tokyo last October.

Noting that the Japanese opposition party's policy toward South Korea has remained unchanged, the minister said it would be "improper" for the NKDP to push for the improvement of relations with the JSP in a hasty manner. The JSP has refused to recognize South Korea as a sovereign country while continuing to maintain its pro-Pyongyang stance.

Noting that some JSP members support the change in their party's policy toward South Korea, the minister asked the NKDP leader to delay the projected exchange for a while until the JSP modifies its policy toward the Korean peninsula.

Asked if the government would issue entry visas to JSP figures who want to visit to Seoul, the minister told the opposition leader that it would be difficult to issue entry visas to them for the moment.

Ishibashi is reportedly planning to visit South Korea in March at the invitation of Kim. Last December, the NKDP had planned to send a four-member delegation to the JSP, but such a plan has been shelved because of the government's advice against it.

ARREST WARRANTS ISSUED FOR 7 NKDP ASSEMBLYMEN

SK101238 Seoul YONHAP in English 1118 GMT 10 Jan 86

[Text] Seoul, Jan. 10 (YONHAP) -- The Seoul District Criminal Court issued warrants Friday for the custody of seven of the 17 lawmakers sought by the prosecution to investigate violence the opposition lawmakers allegedly committed early last month in the National Assembly.

The Seoul District Prosecutors' Office sought the warrants for the seven initially after its repeated summonses on the 17 lawmakers of the major opposition New Korea Democratic Party (NKDP) went ignored.

The seven NKDP members are: Reps. Sin Sun-pom, Chang Ki-uk, Yi Chol, Kim Chung-kil, Kim Tong-chu, Kim Yong-hae and Kim Tae-yong.

The alleged violence stemmed from a blitz passage of the 1986 national budget bill by the ruling Democratic Justice Party in the absence of opposition legislators on Dec. 2 at the time, all the NKDP lawmakers, poised for deterring the unilateral passage of the budget bill, were staging a sit-in at the chamber.

The suspected violence by the seven, according to the writs of custody issued to them, ranged from a 20-minute unlawful detention, snatching a mike, destroying window-panes and manhandling of the chairman of the legislation-judiciary committee to prevent him from performing his official functions.

Meanwhile, the NKDP in a lawmakers' caucus at the National Assembly reaffirmed its stand not to comply with the prosecution's step. The opposition party also decided to stage a sit-in at the chamber by the 17 lawmakers sought by the prosecution and the six-member party leadership headed by President Yi Min-u until authorities scrap the case against them.

A spokesman for the NKDP said the issuance of the warrants of custody predicts a significant political change beyond the dimension of the incident itself, adding it is a practice that contravenes democracy.

In another move to counter the prosecution's measure, the NKDP filed a suit against assembly speaker Yi Chae-hyong and three other assembly leaders of the DJP Friday for their alleged interference with NKDP lawmakers in the performance of their duties in connection with the unilateral passage of the budget bill.

In a related development, Prosecutor-General So Tong-kwon said late Friday that the prosecution, in deference of the authority of the legislature, does not intend to take the seven lawmakers from the chamber forcibly for the interrogation.

An investigation team sent to the National Assembly to execute the warrants is to withdraw at midnight as the seven are expected to remain in the chamber.

The ruling Democratic Justice Party (DJP), meanwhile, criticized the NKDP for the decision to stage a sit-in in the assembly chamber, terming it as an "anachronistic absurdity."

The issuance of the warrants of custody is a legal procedure the prosecution had no alternative but to take in the face of the opposition lawmaker's refusal to comply with the repeated summonses by the prosecution, the DJP said in a statement. In the statement, party spokesman Rep. Sim Myong-po advised the NKDP not to try to defy the just enforcement of law and to touch off again the vicious cycle of violence.

A series of violence the NKDP lawmakers committed during the last regular National Assembly session were acts degrading the prestige of the legislature and authority as well as legalism the statement said.

SNU SUSPENDS 44 STUDENTS FOR LEADING RALLIES

SK100106 Seoul THE KOREA HERALD in English 10 Jan 86 p 8

[Text] Seoul National University [SNU] indefinitely suspended two students, including the student council chairman, and 42 others for three weeks. The students have been tried by courts on charges of leading various illegal rallies and demonstrations last year. They were freed recently, having been given suspended prison terms.

The two students suspended indefinitely were Kim Chong-chol, 23, chairman of the SNU student council, and Chu Chang-min, 23, chairman of the student council of SNU's College of Social Sciences. Kim was arrested last September on charges of making anti-U.S. remarks in his speech during the election of the student council chairman. The 42 students were among those who seized the political training institute of the Democratic Justice Party last November.

MORE OF BOU THANG ARTICLE ON DRY SEASON VICTORY

BK71126 Hanoi Domestic Service in Vietnamese 2330 GMT 6 Jan 86

[Text] On the occasion of the Cambodian people's day of glorious victory, 7 January 1979-7 January 1986, in the program broadcast at this time yesterday you heard excerpts from part 1 of the article entitled "Great New Victory of the Cambodian Revolution and Some Experiences in Combat Leadership," written for TAP CHI QUAN DOI NHAN DAN by Comrade Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers and minister of defense of the PRK.

In part 1 of the article, Comrade Bou Thang laid bare the insidious schemes and tricks of the Chinese expansionists and hegemonists who collude with the U.S. imperialists and other reactionary forces to sabotage the Cambodian people's revolutionary cause. The article also affirms the great victories achieved by the Cambodian Army and people over the past 7 years, especially in the 1984-85 dry season offensive.

In part 3 of the article, Comrade Bou Thang presents a penetrating analysis of the major lessons in combat leadership drawn from the great victory of the last dry-season offensive. We now present you with part 4, which deals with the development of the strength of Cambodia-Vietnam solidarity and the militant alliance on a new [words indistinct]:

The fifth KPRP congress clearly pointed out that more than half a century of revolutionary struggle in our country has shown that when there is unity between the Cambodian and Vietnamese revolutions, victory is achieved; by contrast, when the (?strategic) Cambodia-Vietnam alliance is broken by the enemy and bigoted nationalism is provoked, the revolution loses. This lesson, having the character of a law, has always been remembered by the Cambodian Army and people and has become a guiding principle for all revolutionary activities aimed at defending the fatherland and building the country.

The Cambodian Army and people have always devoted themselves to cultivating and consolidating the bloc of Cambodia-Vietnam militant solidarity and alliance and have foiled all insidious divisive schemes and tricks of the enemies. Imbued with the national tradition of faithfulness, the Cambodian people will remember forever the great services rendered by the Vietnamese people and Volunteer Army. Countless outstanding sons and daughters of several generations of Vietnamese gave their lives in the two wars of resistance against the French and U.S. aggressors to help the Cambodian people win back their independence and freedom. Afterward, the Vietnamese people, sparing no effort and sacrifice of blood, readily fought and gave their lives to save the Cambodian people from the genocidal regime.

Since liberation day on 7 January 1979, the Vietnamese Volunteer Army has sincerely loved the Cambodian people as their own blood relatives, have not retreated from any problem, and have not hesitated to lay down their lives to help the Cambodians achieve a revival of their country stricken by poverty and impoverished and delapidated [words indistinct] left behind by the genocidal regime.

Throughout the past 6 years and more, the Vietnamese Volunteer Army has continued to fight and sacrifice and, side by side with the Cambodian people and revolutionary armed forces, has successfully waged an all-round struggle to defeat the enemies' scheme of mounting counterattacks, to safeguard the national independence and build the homeland of Cambodia, and gradually bring about a stable and happy life for everyone. In [words indistinct] and all their activities, the Vietnamese Volunteer Army has always proven itself worthy of the noble title of Uncle Ho's soldiers.

These comrades, from new recruits to commanders at all levels, have set shining examples for the Cambodian Army and people of noble proletarian internationalism, genuine patriotism, and boundless loyalty to the bloc of special solidarity and alliance of the three Indochinese countries.

Especially, after 6 years of struggle to defend and build their homeland, the Cambodian people and revolutionary Armed Forces have come to understand more profoundly that the close solidarity and militant alliance between Cambodia and Vietnam are one of the basic factors that have brought about their national revival, ensured independence and unification, and gradually advanced the fatherland to socialism. This is also a factor that directly decided the great victory of the 1984-85 dry season offensive. From the reality of the great victory of the last dry season offensive, the Cambodian revolutionary Armed Forces are not only happy and enthusiastic to see that both sides have satisfactorily brought this factor into full play to achieve victory, but are also extremely elated at the fact that both Cambodia and Vietnam have upheld their responsibility to contribute to the bloc of their militant solidarity and alliance, thereby making it even stronger.

On the basis of high identity of views on the three revolutionary objectives already determined by the KPRP and with the unified determination to strive for the greatest victory in the dry season offensive, the militant alliance between the armies of the two fraternal countries in the last dry season offensive underwent new developments in content and form.

The efforts made by tens of thousands of Cambodian cadres and people from all parts of the country to support the frontline and build the border defense line; the combined waves of offensives launched by all Cambodians, using the local armed forces as the core, to attack the enemy in the country's interior; and the large-scale operations mounted by Cambodian regular army corps in close coordination with Vietnamese Volunteer Army, using coordinated combat tactics among the various armed branches, to attack and seize a number of major enemy bases along the border and to set up firm blocking positions on the border defense line -- all these are realistic and vivid manifestations of new developments in Cambodia-Vietnam militant solidarity during the last dry season. This also reflected a new development in the Cambodian Armed Forces and people in positively and gradually surging forward to assume by themselves the duty of carrying out a protracted struggle against all types of enemies to firmly defend their homeland within the strategic and militant alliance among the three Indochinese countries.

Coordination in combat between the Vietnamese Volunteer Army and the various units and branches of the Cambodian Armed Forces was effected in many forms. In some battles, units of the Vietnamese Volunteers Army played a key role while the Cambodian units performed their duties in an important way; and in others, it was the other way around. In some battles, the Cambodian units fought independently; and sometimes even civilians voluntarily joined Vietnamese Volunteers Army in combat. A striking point is that whatever the form and scale of combat coordination, both sides shared the same viewpoints and the same determination; and one side always sought to should the heavier burden to make it easier for the other while helping each other to reach maturity and grow strong.

The Cambodian Armed Forces are in the process of fighting while building and developing. The Vietnamese Volunteers Army have wholeheartedly provided much valuable experience and assistance in all fields so that units of the Cambodian Armed Forces can rapidly reach maturity. During the last dry season offensive, many main-force army corps of the Cambodian Armed Forces took marked steps toward maturity. The Cambodian people and Armed Forces are extremely encouraged by the results of the solidarity and wholehearted assistance accorded by the Vietnamese Volunteer Army; and they are trying all the more to make the Cambodia-Vietnam solidarity last forever.

We are determined to study together, build together, and fight together in order to fulfill the three revolutionary objectives so as to enable the Cambodian revolutionary Forces to reach maturity quickly and the Vietnamese Volunteer Army to fulfill its internationalist duty successfully.

The big successes recorded by the Cambodian Armed Forces and people in 1985 have driven the enemy into an unavoidable position of total defeat. However, owing to their aggressive and reactionary nature, the Beijing hegemonistic expansionists, together with their henchmen and other reactionary forces, have yet to relinquish their scheme to oppose and sabotage the Cambodian revolution. They are still nurturing the illusionary hope of rescuing the reactionary Cambodian factions and breathing life into them in a bid to continue opposing and undermining the Cambodian revolution and tip the situation to their advantage. However, after having sustained heavy blows in the dry season, the Cambodian reactionaries were again subjected to heavy beatings in the rainy season. It is already hard enough for them to recover, let alone to realize their masters' ambitions.

The Beijing expansionists, working in collusion with the U.S. imperialists and ultrarightist forces within the Thai ruling circles, have also stepped up their crafty diplomatic activities and blatantly resorted to deceitful and odious maneuvers aimed at distorting the correct and good-willed policy of the three Indochinese countries to turn Southeast Asia into a zone of peace, stability, cooperation, and friendship. They are still holding on to the so-called Cambodian issue and have repeatedly urged the United Nations to pass erroneous resolutions on Cambodia in an attempt to force the Cambodian people to submit themselves to a wrongful solution they have concocted. But how can they achieve by cunning diplomatic maneuvers what they could not on the battlefield after having tried for 6 years every maneuver possible to oppose and sabotage the Cambodian revolution?

The Cambodian situation is irreversible, and it is developing in its own way. The enemy has been basically beaten, is continuing to suffer heavier setbacks, and will be totally defeated. The Cambodian revolution has triumphed and will continue to score ever bigger successes and win total victory. It can be affirmed that today, no cruel forces can change this trend. [announcer gives no indication that there are no more installments to this article]

FOREIGN MINISTER HUN SEN ON FREEDOM STRUGGLE

PM081627 London MORNING STAR in English 7 Jan 86 p 2

[Interview with Cambodian Foreign Minister Hun Sen by Joan and David Yuille: "A Land Standing Proud and Free"]

[Text] Phnom Penh, December -- "This year," said Mr. Hun Sen, "we declared that by 1990, Vietnamese troops will have been withdrawn from Kampuchea. That will be the timetable," he said, provided there is "no political solution in Kampuchea. "If there is a solution," said the minister, "the Vietnamese troops may be withdrawn much earlier than that date."

The withdrawal of the Vietnamese volunteer forces who assisted the Kampuchean liberation forces in freeing their people from the Pol Pot regime in 1979 has been put by the West as a key pre-requisite for recognising the People's Republic of Kampuchea. The imperialist countries still recognise the "Democratic Kampuchea" government of Pol Pot which was responsible during its rule from April 1975 to January 1979 for the death of over 3.3 million Kampucheans.

Little attention has been given in the Western media to the proposals put forward by the government in Phnom Penh. "We have already declared," stressed Mr. Hun Sen "that we are prepared to negotiate with the Khmer groups or individuals, or opponents, in order to have a national reconciliation based on the elimination of Pol Pot." It would also involve, he said, "the setting up of free elections after the Vietnamese have left."

"Please," he said, diverting from his main theme for a moment, "we would like to stress that the organisation of the elections should be undertaken by the Kampuchean people. It is not (a question of) a general election under the supervision or control of the international community. This," he said, "is an insurance of the rights of self-determination of the Kampuchean people."

And again he emphasised that those rights could not be exercised without the elimination of the Khmer Rouge forces led by Pol Pot.

In addition to the resolution of the country's internal problems, Mr Hun Sen stressed the importance of factors outside Kampuchea's borders. "Why do we raise this question of the internal solution and also the external solution? It is because we have experience of previous international conferences -- the 1954 Geneva conference on Indo-China; the 1962 conference on Laos and the 1973 conference on Vietnam in Paris." These conferences, said the minister, "had solved the internal problems of these countries but had not solved the question of the independence and sovereignty of the neighbouring Indo-Chinese nations."

The Kampuchean leader explained how the 1954 conference which solved the problem of the French occupation had only led to the U.S. aggression, which in turn was the subject of the 1973 Paris conference.

Having secured the removal of U.S. forces the Chinese had become the new aggressor. "Once again the countries neighbouring onto Indo-China supported the opposition forces against us. Therefore peace was not assured for a long time," he reflected.

In respect of neighbouring Thailand, Mr. Hun Sen recalled that they had never been able to put it in "a real neutral situation." "Thailand had been used as the spring-board for aggression from outside powers. During the Second World War, Thailand was an ally of the Japanese, to fight against the British, French and other colonial powers. Then later on it was an ally to the United States, who even had air bases and military bases in order to oppress our countries. In the present situation, Thailand is becoming a base for Khmer reactionary forces, and is being used as a transit base for the provision of arms to be used against us."

The liquidation of these bases is one of the "external" questions that a Kampuchean Government wants to see resolved, said the minister.

Ohters are the elimination of Pol Pot, the withdrawal of Vietnamese forces and respect by neighbouring countries and the major powers for its independence and sovereignty. "Therefore, the solution to the Kampuchean situation cannot be separated from the overall solution of the problem of South-East Asia."

"That is why we support the solution proposed by the non-aligned countries for the removal of all foreign troops from South-East Asia."

Cambodian leader welcomed the talks currently taking place between, one side, Vietnam on behalf of the Indo-Chinese countries, and on the other, Indonesia representing the interests of the members of the Association of South-East Asian Nations (ASEAN).

"We encourage the negotiations between the group of countries of Indo-China and ASEAN for a solution which concerns both of the groups. If we could find such a solution, Vietnamese troops could be withdrawn before 1990," he suggested.

Mr. Hun Sen repeatedly returned to the importance of national reconciliation, even making it clear that if former Cambodian leader Prince Sihanouk "dissociated himself from Pol Pot" the PRK Government would be prepared to negotiate with him.

"This was a kind of help to Sihanouk in order to help him make a choice," said the minister. "But to our knowledge Sihanouk is not an independent person -- he is a pawn of the Chinese, and also of the Pol Pot group." The proposal to negotiate with opposition forces on the premise that Pol Pot forces were eliminated was first made at the conference of the foreign ministers of the three Indo-Chinese countries. "Our proposal and our position was not adopted at a time when we were under attack from Pol Pot forces" said Mr. Hun Sen. "On the contrary, we make them because we have wiped out all their bases along the border, and so our proposal is made when we are strong."

Another indication of strength given by the minister was the surrender of some 5,000 people from the Khmer reactionary forces in the first 11 months of 1985. "That includes a number of officers and about 70 per cent of the total came from the Pol Pot forces. They have benefited from our clemency policy" he said. "After a short period of re-education they have been sent back to their families."

Finally the minister turned to the need to overcome the obstacles erected by the U.S. and China to the DPRK's membership of international bodies. This problem has restricted aid, so the minister welcomed the chance to point to the valuable work being done by the British charity OXFAM. "They do not only help us with the provision of humanitarian assistance for the solution of the hunger situation," said the minister, "but also OXFAM has helped us with development."

He gave the example of an OXFAM engineer who was repairing a British built sack-making machine that was capable of producing 5 million sacks per year. Because they could not get the spare parts from Britain it was currently only able to produce 2 million sacks per year. There was a local saying he said: "We have the gold but lack the wrapping paper. We need to buy rice from the peasants but do not have enough sacks to put it all in!"

MEAS KROCH ADDRESSES MEETING ON NATIONAL DAY

BK091302 Phnom Penh SPK in English 1117 GMT 9 Jan 86

[Text] Phnom Penh SPK January 9 -- A meeting was held Wednesday at the Ministry of National Defence in Phnom Penh with the participation of 500 people among them the military attaches of Vietnam, Laos and the Soviet Union, to mark the seventh national day of the People's Republic of Kampuchea (Jan. 7).

Addressing the meeting, Deputy Defence Minister Meas Kroch recalled the victory on January 7, 1979 and hailed the victories won by the People's Revolutionary Armed Forces of Kampuchea in wiping out enemy remnants along the Kampuchean-Thai border in the 1984-85 dry season. He further said that in the current dry season, 2,000 of enemy troops have been wiped out, over 500 others taken prisoner, and 2,000 weapons seized.

Other commemorative functions have been held in many parts of [the] country.

PHNOM PENH RIDICULES CGDK INTERNAL CONFLICTS

BK091223 Phnom Penh Domestic Service in Cambodian 1300 GMT 8 Jan 86

[Station commentary: "Unsettled Dispute"]

[Text] Beijing has realized that, although it put the three reactionary groups in the Democratic Kampuchea stable, and although it has made every effort to nurture them, they cannot get along with each other. So Beijing recently took several steps to prevent a conflict. Beijing occasionally called a meeting of the Cambodian reactionaries in Beijing to reach a reconciliation. Deng Xiaoping also stated that Beijing will always support the Cambodian reactionaries, even for 100 years. During his visit to Thailand, Wu Xueqian declared that if Thailand is attacked, Beijing would react heatedly 6 hours later through the so-called red telephone linking Bangkok and Kunming to ensure rapid communication when necessary.

But although their masters have actively made every effort to help them, there is no order in the lackeys' ranks in the corpse of the so-called Democratic Kampuchea. There is no discipline among them at all. They quarrel among themselves from the top to the grass roots. They have always fought each other, with none of these three groups wanting to be subdued by the others.

There are even conflicts within each group. Indeed, there has been a serious dispute recently in the Son Sann group. Sak Sutsakhan took control of the Sereika, declaring he had overthrown Son Sann. It is very obvious that Son Sann cannot be indifferent to this. He strongly reacted to this. The present situation remains complicated, with the Sihanouk and Khieu Samphan cliques pretending to be worried about the internal conflicts within the Son Sann group. In reality, they are very satisfied with this quarrel. Therefore, there is solidarity only in appearance among these groups, while in reality there is internal conflict. Each of them has used dictatorial power. These reactionary groups bow to serve the foreigners in order to get money for their enjoyment. They quarrel with each other over money and aid from Beijing and Thailand. These reactionary Cambodians think only about their own interests and have tried to please their masters. The leaders of these reactionary groups have simply behaved badly.

How can their subordinates get along with one another? The fighting among the three groups is not caused by rancor among individuals -- it is intentional, not due to lack of tolerance; it was planned beforehand. Each reactionary group has its tricks and policies to subdue the others. Many soldiers in their mixed army have realized the truth of the difficult situation encountered by their leaders. They can see more clearly that they have been misled into sacrificing their lives and destinies to serve the interests of a small group of murderers. Not only have they suffered a lot by staying in the jungles, but these soldiers have been used as shields to protect and die in the place of the coward reactionaries.

The recent conflicts within the leadership clique of the so-called Democratic Kampuchea will definitely seriously divide their troops. No god will intervene to settle their dispute. Beijing or Bangkok can use their money, foodstuffs, and ammunition to persuade their lackeys to settle their conflicts, but their reactionary nature and that of their masters, which is the main cause of the dispute, can never be changed. Although these reactionary Cambodians have made every effort to propagandize and speak loudly about their victories, the reality is clearly that they and their masters are facing complicated problems that they cannot solve.

The great victories scored by our army and people on the military, political, economic, and diplomatic battlefields in 1985 are the important factors. Moreover, these victories have intensified all internal conflicts of the enemy.

Reasonable people can clearly see the strength and the victorious situation of the Cambodian revolution, which is irreversible and is steadily advancing. The efforts of the enemy to extricate themselves from the difficult situation are futile.

The situation in 1985 has confused the enemy. The situation in 1986 will be hopeless for the reactionaries who are quarreling with one another. Nothing can help settle their dispute.

VODK COMMENTS ON ECONOMIC CRISIS IN VIETNAM

BK091411 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 8 Jan 86

[Station commentary: "If the Hanoi Vietnamese Do Not End Their War of Aggression in Cambodia, Vietnamese Economic Crisis Cannot Be Resolved"]

[Text] We have now gone through 1985. If we look at Vietnam, we realize that 1985 was a year in which the Vietnamese economy encountered more and more serious difficulties and was in a worse state than in the previous years.

At the recent meeting of the Vietnamese Assembly, Vo Van Kiet, vice president of the Vietnamese Council of Ministers, bitterly admitted that the overall Vietnamese economy in 1985 was weak -- in particular, agricultural production was still not enough, meaning that it did not meet the annual target.

In industry, production was down both in quality and quantity and prices increased. At the same time, NHAN DAN, the Vietnamese official paper, also recognized on 30 December that prices in various markets have skyrocketed. This has become a serious and immediate problem detrimental to production and the people's lives.

All this is official. The Vietnamese have acknowledged this much. According to diplomatic sources and foreign guests who have been in and out of Vietnam, the Vietnamese economic crisis has reached the point that it cannot be restored. Diplomats in Hanoi say that prices of foodstuff and goods have risen quickly, particularly in the past 3 months of 1985. Recently, a western reporter revisiting Vietnam was alarmed at the poverty in Vietnam and the starvation of the Vietnamese people. He said compared to a few years ago, prices have now gone up a lot, the deficit is increasing; and the Vietnamese people's health is deteriorating. A Swedish engineer who used to work in Vietnam says that due to the lack of food, Vietnamese workers can work for only 3-4 hours a day. A reporter for a German magazine writes that in Vietnam the lack of vitamins is widespread. Children and adults are weak.

In short, the current economic crisis in Vietnam has become a complex and most serious problem that has paralyzed the Le Duan Vietnamese clique. Why is the Vietnamese economy in such a state? The Le Duan clique knows, and the world knows too, that it is because the Hanoi Vietnamese are waging a war of aggression in Cambodia. They have spent a lot on this war. This is why the Vietnamese economy is in such a state. In fact, this war of aggression in Cambodia has eaten a lot of Vietnamese capital, resources, and labor. It is like a bottomless pit. No matter how much is put in, it is never full. In the past, the Hanoi Vietnamese have refused to resolve this problem at its root cause. They have refused to resolve this issue of war of aggression in Cambodia. Instead, they have carried out economic reforms, and devalued the Vietnamese currency many times -- it is now 1,000 percent devalued. At the same time, the Hanoi clique has accused lower echelons of being corrupt, bureaucratic, conservative, irresponsible, and so on. Resolving the issue this way does nothing.

On the contrary, it has worsened this economic crisis, made it more confused and more complicated. Corruption, bribery, robbery, theft, and smuggling are on the increase in Vietnamese society. In general, the Vietnamese people and officials are getting angry and are increasingly opposing the Le Duan clique.

In sum, 1985 was the year in which the Le Duan clique bogged down and encountered countless difficulties in Vietnam. This does not include its great difficulties on the battlefield in Cambodia and in the international arena. In 1986, the Le Duan clique has no hope of getting out of these difficulties, which will only get worse for the clique. If the Hanoi Vietnamese want to resolve all these problems, the only way out is to end their war of aggression in Cambodia and pool all the Vietnamese resources and capital to restore the economy and build Vietnam instead. However, if they still refuse to end their war of aggression in Cambodia, this economic crisis will get more and more serious until it drags the Vietnamese into oblivion.

VONADK REPORTS 300 SOLDIERS DESERT IN KAMPOT

BK091227 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Jan 86

[Text] On 2 January, 300 Cambodian soldiers posted at Phnum Soy position on the Kampot battlefield, deserted the Vietnamese enemy and returned home, taking with them all their weapons; 100 of these soldiers are from Kampot Province and 200 from Takeo Province. The Vietnamese enemy plans to use these Cambodian soldiers to fight and die on Vietnam's behalf on the battlefields in western Cambodia. However, these compatriots refused to be treated this way, and recently have seen examples set by Cambodian soldiers posted in Takeo provincial seat, who revolted against the Vietnamese. This kind of incident is happening daily. This is why these 300 compatriots are not going to let the Vietnamese use them, and have thus fled home.

This is a very good idea of Cambodian soldiers at Phnum Soy position, and is the strong desire of other Cambodian soldiers who have deserted and are deserting the Vietnamese every day.

Other Cambodian soldiers are trying to find ways to desert the Vietnamese. Therefore, please take advantage of the Vietnamese being in confusion to revolt and return home or join the national army and guerrillas who are operating near you. Please hurry to join our nation and people in the fight against the Vietnamese enemy aggressors to liberate our nation and race.

THAI, LAO TECHNICIANS DISCUSS JOINT PROJECTS

BK091241 Bangkok Domestic Service in Thai 1300 GMT 8 Jan 86

[Text] Thai and Lao technicians yesterday held a meeting at the vocational training and ship building center in Nong Khai Province to discuss hydrological and hydrographic surveys and dredging in the Mekong River. Deputy Nong Khai Provincial Governor Major Colonel Prida Nisaicharoen headed the Thai side in the meeting with officials of the Lao National Energy Office and the Ministry of Science, Technology, and Energy [as heard], led by Khamla Nousisombat, chief of the Lao Water and Land Transport Department. After reviewing achievements made in 1985, the meeting considered the program of operations for 1986. In 1985, Thai and Lao technical teams conducted 32 hydrographic surveys between Nong Khai Province and Laos' Tha Naleng wharf, drew up a navigation channel map of a scale 1:2,500 covering 2 km of the Mekong River, and dredged sand between the ferry of Nong Khai Province and Tha Naleng wharf with 3,200 cubic meters of sand being removed. These operations successfully met the set targets. In 1986, Thai and Lao technical teams will jointly carry out the programs launched last year. The hydrographic surveys between Nong Khai Province and Tha Naleng wharf, covering about 2 km of the Mekong River, and the placement of navigational signals will start on 15 January, the dredging of sand on 20 January, and the hydrological works on 24 January.

MILITARY DENIES LEEWAY FOR VIETNAMESE TROOPS

HK100700 Hong Kong AFP in English 0625 GMT 10 Jan 86

[Text] Bangkok, Jan 10 (AFP) -- The Thai military has denied a magazine report that it allowed two kilometres (1.24 miles) of "leeway" before retaliating against Vietnamese troop incursions from Cambodia, a Supreme Command Head Quarters spokesman said today. Colonel Phopsuk Sitalanand said of the report in the Hong Kong-based weekly, THE FAR EASTERN ECONOMIC REVIEW, "This information is absolutely false, I don't know how they come up with such false reports." "I assure you that we have no such policy and we will not yield on inch of Thai soil or allow the slightest infringement of our sovereignty to any aggressor," Col. Phopsuk said.

VOFA COMMENTARY CONDEMNS SRV-PRK BORDER TREATY

BK091414 Bangkok Voice of Free Asia in Thai 1030 GMT 8 Jan 86

[Station commentary: "The SRV-PRK Border Treaty: A Growing Bitterness"]

[Text] On 29 December 1985, Vietnamese Foreign Minister Nguyen Co Thach and Foreign Minister Hun Sen of the Heng Samrin puppet government installed by Vietnam following its invasion of Cambodia by over 200,000 troops and occupation of that country in violation of international law signed a border delimitation treaty between Vietnam and Cambodia. According to VNA, the main point and purpose of the treaty is to settle the border problems between the two countries based on their desire to develop and strengthen the special relationship between Vietnam and Cambodia. A joint committee has been set up with the responsibility of holding talks and reaching agreements on problems concerning the border and territorial waters. This may sound as if Vietnam has good intentions for Cambodia as it wants to give Cambodia its sovereignty and territorial integrity. Some may even be deceived into thinking that Vietnam is sincere and has goodwill towards Cambodia, its smaller and weaker neighbor. Some may believe that Vietnam has no intention of violating Cambodian territory but wants to resolve the border problem peacefully. Anyway, if one looks carefully, he can find the truth -- that the SRV-PRK border treaty is another propaganda farce. Vietnam has fabricated another story just to deceive the world.

Is it possible that the SRV-PRK border treaty will genuinely take effect? Is it true that Vietnam will respect Cambodian sovereignty and territorial integrity? It is already a farce, just looking at partners in the treaty. Hun Sen is the foreign minister of Heng Samrin, Vietnam's puppet. Heng Samrin used to be one of the comrades-in-arms of and in the government of Pol Pot and Khieu Samphan. When Cambodia had a border dispute with Vietnam and Vietnam invaded Cambodia in 1978, Heng Samrin betrayed his country and defected to the Vietnamese invaders. He agreed to a puppet government for Vietnam although he realized that he lacked support from the Cambodian Armed Forces and people. Heng Samrin survived because of support from the Vietnamese soldiers who oppressed and terrorized the Cambodian people under them.

In late 1985, 114 members of the United Nations voted to recognize the DK Government led by Prince Norodom Sihanouk, while rejecting the Heng Samrin puppet government. They have voted in support of the DK Government for 8 consecutive years since the Vietnamese occupation of Cambodia. This means that, by international law and the UN Charter, the treaty that Hun Sen signed with Vietnam is invalid and cannot take effect. Even though the treaty could be implemented, there is no doubt it would serve the interests of Vietnam alone. The Heng Samrin puppet government has no bargaining power vis-a-vis Vietnam. It has no equal rights in negotiations with Vietnam, which is its master and which put it in puppet power. Moreover, it is not certain whether Heng Samrin still has any nationalistic and patriotic feelings left in him when it comes to defending the interests of his motherland against Vietnam, especially when Vietnam has over 200,000 Vietnamese troops stationed in Cambodia. Over the past 7 years, Vietnamese leaders have launched military, political, and economic measures to control Cambodia. It has moved a million Vietnamese settlers into Cambodia, thus taking over farmlands and professions from the Cambodian people. All this has been carried out under the pretext of a special relationship among the Indochinese peoples. Clearly it can be seen that this relationship is not based on equality. Vietnam is taking advantage of being bigger and more powerful militarily to exploit Cambodia. Heng Samrin has never protested against a large number of Vietnamese settlers being moved into Cambodia despite the fact that the Cambodian people are themselves suffering from severe shortages and hardships.

In fact, the border delimitation treaty signed between Vietnam and Cambodia is another symbol of a growing bitterness of the Cambodian people, who have come under harsh oppression and repression. Vietnam has never in history left Cambodia in peace. Vietnamese leaders hold that Cambodia is their permanent colony. They are always ready to crush it if Cambodia resists Vietnam's occupation.

The special relationship of the Indochinese countries, the treaty of friendship and cooperation among them, or the border treaty introduced at the end of last year, all are fabrications by the Vietnamese leaders to deceive the world. Anyway, the vote at the United Nations in December made it clear that Vietnam's trick no longer works. It is not enough to fabricate such a deceitful border treaty if Vietnam wishes to improve its image in the eyes of the world. Vietnam must withdraw all its troops from Cambodia and remove about a million Vietnamese settlers who have taken over farmlands from the Cambodian people. Only then will Vietnam be able to receive a pardon from the whole world.

UK MP'S COMMENTS ON REFUGEE PROBLEM, CAMBODIA

BK091057 Bangkok BANGKOK WORLD in English 9 Jan 86 p 3

[Text] Four visiting British MPs flew home yesterday with a pledge to arouse public awareness about Thailand's refugee burden and problems caused by the Kampuchean conflict.

The MPs -- Robert Adley, Robert Hicks, Andrew Faulds and Richard Hickmet -- arrived in Bangkok last week for a nine-day visit as guests of Parliament President Ukrit Mongkhonnavin. During the visit, they held talks with Dr Ukrit, Foreign Minister Sitthi Sawetsila and members of the Foreign Affairs Committee of the Senate and the House of Representatives, and inspected Khao-I-Dang and Site 2 Khmer refugee camps, and the Royal Project in Chiang Mai. Addressing a press conference at the Erawan Hotel before their departure yesterday, Mr Adley said the visits to the refugee camps gave them a good opportunity to view the effects of the Soviet-backed Vietnamese aggression in Kampuchea. He said the Thai Government was keen to see the European Economic Community (EEC) pay more political interest in this region, adding that his group would remind the British people of the political burden Thailand has to carry as a result of the Kampuchean conflict. "This problem needs to be fully explained to the British people," Mr Adley said. He said his team was impressed with the living conditions of refugees at the two camps which were well organised, when compared with those in African countries.

Asked why the British Government has accepted only a small number of refugees from Thailand, Mr Adley explained that his country has a commitment to take refugees from the Commonwealth countries. However, he said the best solution to the problem was to send the refugees back to their homeland with a guarantee of self-determination rather than resettling them in third countries. Concerning the narcotics problem, Mr Adley said that there is a growing drug problem in the Western world. Having viewed the Royal Project in Chiang Mai, he and the other MPs agreed that it was the most practical way to solve the problem -- that is to find an alternative way for the opium-growing people to earn their living. Mr Adley said Thailand has a promising tourism industry because of its fascinating culture and splendid natural resources.

COUP TRIAL TO BE HELD IN OPEN SESSION

BK080848 Bangkok BANGKOK WORLD in English 8 Jan 86 pp 1, 8

[Excerpts] The Criminal Court this morning reconvened to publicly try ex-premier Gen Kriangsak Chamanan and 39 other defendants after a prosecution request to have the proceedings held behind closed doors was overturned. The court earlier in the morning rejected a prosecution argument that the public description of official secrets like military installations would jeopardise national security. When all suspects arrived, the court procedure started by calling the names of the 40 suspects. Afterwards the court read the prosecution demands for a secret trial claiming that national security was at risk if the trial was to be held in public.

At one point, the prosecution demand was strongly opposed by the defendants who argued that the Supreme Command headquarters which the prosecution said was an important military installation was merely a normal office which sometimes was used to hold parties. The defendants argued that it was well known that the headquarters was not used to station troops or store weapons. The defendants also cited the United Nations Universal Charter for Human Rights in their rejection of the prosecution's call. The court agreed with the defendants' argument and proclaimed that the trial will be publicly held. The court said that the five suspects were former top military officers who were well-acquainted with the Supreme Command and they would know what should be deemed a security risk. However, the court said that the prosecution retained the right to call for the non-exposure of some documents if they should be considered confidential.

PHAM VAN DONG, TALYZIN ATTEND DAMMING CEREMONY

BK100600 Hanoi Domestic Service in Vietnamese 1430 GMT 9 Jan 86

[Report on 9 January ceremony marking the completion of the second phase of damming of the Da River -- portions recorded]

[Summary] Dear comrades: On 9 January 1986, at a point on the Da River in Hoa Binh city, a very important event took place: A grand ceremony was held to mark the completion of the second phase of damming the Da River. National flags of Vietnam and the Soviet Union were fluttering in the breeze. Hundreds of banners, streamers, and slogans were displayed along both sides of the river banks. Right from the early morning when the river was still covered with fog, tens of thousands of Vietnamese cadres and workers and hundreds of Soviet workers and experts were already present.

In this second phase, we spent 50 days damming the river as part of our effort to harness the river for the construction of the Hoa Binh hydroelectric power plant. Construction has been underway for 7 years now. Looking at the dam -- which is 630 meters long, 128 meters high, and 700 meters wide -- we feel very proud. We also cannot but feel saddened by the sacrifice of many outstanding workers and cadres who died building this project. We are also grateful to the Soviet Union for having provided us with many talented experts and hundreds of thousands of metric tons of mechanical equipment for the building of this project.

"With deep emotion, all those attending faced the podium where Council of Ministers Chairman Pham Van Dong and other leading comrades of our party and state were present. Here we witnessed many emotional scenes: In spite of cold weather and his being old and weak Council of Ministers Chairman Pham Van Dong led labor heroine Nguyen Thi Ngung by her hand for a walk to review and shake hands with representatives of various construction units. The chairman paused for a long while in front of a delegation of those military units participating in the construction of the project. He then shook hands with everyone, including those Vietnamese and Soviet children standing in a beautifully-arranged floral formation around the podium. At this sacred moment filled with emotion, Council of Ministers Chairman Pham Van Dong shook hands with and hugged several Soviet experts. Comrade Bagachenko, the chief project engineer, pinned on the chairman's overcoat an insignia as a memento from those damming the Da River. Meanwhile, Comrades Do Muoi, Vo Van Kiet, Nguyen Duc Tam, Vo Nguyen Giap, Nguyen Thi Nhu, Vu Mao, and Huynh Tan Phat also turned up to witness this festive, historic event marking the damming of the river. After Comrade Talyzin, head of the Soviet party and government delegation, Comrade Chaplin, Soviet ambassador plenipotentiary and extraordinary to Vietnam, and those comrades chief delegates of the countries attending the 37th CEMA planning cooperation committee conference were already in their places, the grand meeting marking the completion of the second phase of the damming of the Da River began."

Following the opening speech delivered by Minister of Construction Phan Ngoc Tuong, "Comrade Talyzin, candidate member of the Politburo and first vice chairman of the Soviet Council of Ministers, and head of the Soviet party and government delegation, spoke some sincere and valuable words about the friendship between the two parties and states. The comrade spoke about the purpose and the significance of the construction of this project. The comrade experts, have scored a great deed."

Amid this atmosphere filled with friendly sentiments, Comrade Ngo Xuan Lap, director general of the Hoa Binh hydroelectric power project building incorporation, reported to Council of Ministers Chairman Pham Van Dong and the chairman of issuing an order, giving a final touch to the completion of the damming of the river.

With emotion, pride, and enthusiasm, Chairman Pham Van Dong on behalf of the Council of Ministers and the Vietnamese people, thanked the Soviet party, government, and people for helping us build this project:

[Begin recording] "Dear comrades: I think that you, comrades and I, are witnessing an event of historical significance. The historical significance lies in the fact that with this project we can dispel a legend that was persisting for centuries in this country and was bringing about countless disasters to the people of this locality.

"Now with this project, with what we have done and will do, we will be able to build an extremely vital project of multifarious significance just as Comrade Talyzin has said: By completing this project with the assistance of the Soviet Union and other socialist countries, we have achieved an objective of socialism and communism to master nature, society, and ourselves and, on this basis, we will build a plentiful, happy, and beautiful material and cultural life. Those combatants who have earned this merit are Soviet and Vietnamese experts and workers. Generally speaking, those combatants who have achieved these great projects are Soviet and Vietnamese communists and people."
[end recording]

Chairman Pham Van Dong's words through the loudspeakers reverberated against the mountain slopes and resounded along the Da River. Among the martial hymn of a military band and the resounding applause, Chairman Pham Van Dong ordered the damming of the river precisely at noon.

FOREIGN MINISTER GREETES PRK COUNTERPART

BK081104 Phnom Penh Domestic Service in Cambodian 0430 GMT 8 Jan 86

[Text] SRV Foreign Minister Comrade Nguyen Co Thach recently sent a greetings message to PRK Foreign Minister Comrade Hun Sen on the 7th anniversary of 7 January National days. The message read, among other things:

I am very happy over the great victories won in all fields by the PRK, which has passed through great difficulties, tests, and trials during the past 7 years. We are firmly convinced that the fraternal Cambodian people will succeed in implementing the resolutions of the Fifth KPRP Congress, thus advancing their country gradually and firmly toward socialist construction. May the fraternal friendship, militant solidarity, and all-round cooperation between the Vietnamese and Cambodian peoples as well as among the fraternal peoples of the three Indochinese countries strengthen forever. I wish you good health and greater victories in your noble tasks.

REPORT ON SIGHTING OF MIA'S IN LAOS CITED

BK100059 Jakarta Domestic Service in Indonesian 0700 GMT 8 Jan 86

[Text] The United States and Vietnam have reached agreement to make efforts to search for more than 1,700 American military personnel listed as missing in action during the Vietnam war. The agreement was reached during a meeting in Hanoi between a United States delegation and Vietnam. The United States delegation expressed the hope that the issue could be resolved within a 2-year timeframe, although it would be better if it could be resolved earlier.

Meanwhile, the Vietnamese authorities say they do not know whether there still American soldiers who are still alive or living in Vietnam. Vietnam has agreed to continue investigations based on the United States findings.

A Thai gold dealer in (Phai Yatsieu) said he had seen a number of Americans working as laborers in a Lao goldmine last October. The business, who used the fictitious name of John Kubash for his personal safety, said under oath that he had seen several Americans at a mine in Laos. He had pledged his support in seeing justice done in a bid to free the Americans who are still being detained in Vietnam, Laos and Cambodia even after the Vietnam war. According to John Kubash, the first time that he saw the Americans working at the goldmine was in 1978 and then again in October last year. He said that he saw some 39 other Americans.

MOKHTAR ON ICO MEETING, TIES WITH MOROCCO

BK091207 Jakarta International Service in English 0800 GMT 9 Jan 86

[Text] Foreign Minister Mokhtar Kusumaatmaja says Indonesia has been paying great attention to the ministerial meeting of the Islamic Conference Organization, ICO, lasting from January 5 to 10 in Fes, Morocco. He hoped that the results of the meeting would be further strengthening the unity and solidarity of Muslims from the world over in achieving their common ideas. The foreign Minister also called for the setting up of economic cooperation. The ICO member countries would focus their attention on efforts to help poor Islamic countries in overcoming their difficulties, such as drought and famine.

In (?discussing) Indonesia-Morocco relations, Mokhtar Kusumaatmaja said the relations between the two countries had been progressing well in various fields, including economics and trade. Indonesia has been reopening its embassy in Rabat in the light of stepping up the relations. He hoped Morocco would also open its embassy in Jakarta.

DHARSONO SENTENCED TO 10 YEARS FOR SUBVERSION

BK081255 Jakarta ANTARA in Indonesian 1155 GMT 8 Jan 86

[Text] Jakarta, 8 Jan (ANTARA) -- Retired Lieutenant General H.R. Dharsono, alias Pak Ton, 60, former ASEAN secretary general and Siliwangi region military commander, was sentenced to 10 years imprisonment minus detention time by a panel of judges led by Sudiyono at the Central Jakarta district court on Wednesday [8 January].

Chief Judge Sudiyono said that H.R. Dharsono was found guilty of subversion charges filed by the public prosecutor, Bob Nasution. The subversion charge was related to the issuance of a white paper to which the defendant was one of the signatories. He also gave lectures in a house at 11 Keramat Pulo Gunduk Road in central Jakarta, which the panel of judges considered to be an effort to instigate the audience to resort to radical and extremist actions. Such instigation led to the bombing of the Central Asia Bank in Jakarta 2 weeks after the defendant's speech on the night of 18 September 1985. The panel of judges said that the white paper, issued by the working group of the Group of 50 Petitioners, was produced after a meeting attended by the defendant and other members of the Group of 50 Petitioners at a house belonging to Ali Sadikin at 2 Borobudur Road in Jakarta on 15 and 18 September. The white paper contained two main topics, namely a social critique and an analysis of the Tanjung Priok bloody riots on 12 September.

The panel of judges also said that the public prosecutor had earlier demanded a 15-year sentence for the defendant, but he was found not guilty on the charge of trying to overthrow the government. The defendant had, however, unconstitutionally presented his social critique widely known as the white paper. What was put on trial was not the differences of opinion between the defendant and the government, but the defendant's actions. On the occasion, the panel also explained the proper procedure of presenting a social critique approved by law -- namely, through the House of Representatives. The defendant's way of presenting the critique was through issuing a white paper to the public.

The judges also took into consideration the defendant's past contributions to the establishment of the new order, his consistent attitude during trial hearings, and the fact that he has never been convicted by any court of law. Before the verdict was given, H.R. Dharsono looked calm. He smiled slightly while the court room was filled with tension before the chief judge read the verdict. The trial ended at 1344 west Indonesian time and received great attention from domestic and foreign media.

PREACHER SENTENCED TO 9 YEARS FOR SUBVERSION

BK090845 Jakarta ANTARA in English 0830 GMT 9 Jan 86

[Text] Jakarta, Jan 9 (ANTARA) -- Tony Ardy, 31, tried in charge of subversive activities was sentenced to nine years in jail terms by the north Jakarta district court Thursday [9 January]. The defendant was pleaded guilty of launching a series of activities which was undermining the government authority and its apparatuses and spreading adversely feeling, uneasiness and upheaval in the public at large.

The defendant who is a young preacher spread the adverse feeling through his teachings at the mosques, and distributing cassettes that agitate people and published the book "the convicted" in various parts of Jakarta including north Jakarta in 1983-1984.

In his teachings the defendant was reported to have agitated the audience to reject the Pancasila sole principle and other government policies. After the verdict was read by the justice, the defendant stated that he accepted it and will appeal for the president's pardon. He, however, said that he has sent a "prepardon" letter to the president several days ago.

MALAYSIAOFFICIAL ON MAHATHIR, SUHARTO VISIT TO USSR

BK091009 Kuala Lumpur BERNAMA in English 0956 GMT 9 Jan 86

[Text] Kuala Lumpur, Jan 9 (OANA-BERNAMA) -- The Malaysian Government does not yet have a programme for prime minister Dr Mahathir Mohamed's visit to the Soviet Union, Foreign Ministry Secretary-General Zainal Abidin Sulong said Thursday [9 January]. A report from Moscow quoting Soviet Deputy Foreign Minister Mikhail Kapitsa Thursday said that Dr Mahathir and President Suharto of Indonesia were expected to visit the Soviet Union this year. He, however, did not specify the dates for the planned visits by the Malaysian and Indonesian leaders.

An invitation by the Soviet's top leadership was extended to Dr Mahathir during the visit of its deputy prime minister, Y.P. Ryabov, in November last year. "We have a plan (to visit the Soviet Union) but no programmes as yet," said Zainal Abidin.

ARMED FORCES TO PRODUCE OWN SPARE PARTS

BK071309 Kuala Lumpur Domestic Service in English 1130 GMT 7 Jan 86

[Text] The Malaysian Armed Forces is to produce their own spare parts for vehicles, armaments, and other equipments as a measure to expedite development of expertise and cut costs. Chief of Army General Datuk Hashim Ali said the move is to promote zest and extend life span of equipments in line with the government's austerity drive. He said this to reporters after visiting the 91st and 95th armed forces workshop bases at Batu (?Cantonment) camp near the federal capital.

General Datuk Hashim said he had already instructed the parties responsible to identify and standardize their parts that could be manufactured by the Armed Forces. He was confident that armed forces personnel have the expertise to produce their parts to the quality on par with, or even better than that of imports. General Datuk Hashim also pointed out that by manufacturing own spare parts, the nation would no longer be at the mercy of overseas suppliers during emergencies. The move could also promote the country's buy Malaysia goods campaign and step up technology transfer.

TIN MINERS TO SET UP NEW MARKETING COMPANY

HK080702 Hong Kong AFP in English 0551 GMT 8 Jan 86

[Text] Kuala Lumpur, Jan 8 (AFP) -- More than 5,000 tin miners, mostly in the rich tin-mining state of Perak, have lost their jobs because of the prolonged depression in tin prices, All-Malaya Chinese Mining Association Vice-President Hew See Tong said today. He said that 170 gravel pump mines had been closed, some permanently, while many were operating at half capacity. Mr Hew said that the association would set up a company, Tinex Corporation SDN BHD, to sell tin. The company would begin operations next month. He said the firm would help miners affected by the closure of the London and Kuala Lumpur tin markets in October last year get reasonable prices for the commodity.

On comments by Malaysian smelters that the company would duplicate their roles, Mr. Hew said "We mainly want to get more returns for the tin sold. We do not know how much profit the smelters are getting". Mr. Hew said that the association members would contribute about 500 tonnes of tin ingots worth about 10 million Malaysian dollars (4.1 million U.S.) to start off the company.

SINGAPORE

AGREEMENT CONCLUDED ON PROCESSING PRC OIL

BK091216 Singapore THE STRAITS TIMES in English 8 Jan 86 p 1

[By Ronnie Lim]

[Text] Singapore and Chinese oilmen have signed New Year contracts for processing Chinese crude into oil products at Singapore refineries. While the 1986 volume is greater than what the Chinese guaranteed when Prime Minister Lee Kuan Yew met premier Zhao Ziyang late last year, it is less than last year's. "The negotiations were tough," a Singapore refinery official said.

"The Chinese wanted the best terms...not only lower processing fees, but they also wanted to get more valuable light-end products like jet fuel, naphtha and diesel. "They said that, otherwise, it might be better for them to just sell the crude. But at the same time, the Chinese terms also meant it was not worthwhile at all for the Singapore refineries."

In all, the bargaining stretched over three months, with discussions held here and in Beijing between Singapore's Shell, Mobil and Esso and China's Sinochem Corporation. "At one stage, we thought we might be processing only between 30,000 and 40,000 barrels daily -- which would be far short of the Chinese guarantee of 60,000 barrels daily given during Mr Lee Kuan Yew's China visit last September," another oilman said. The result seems a reasonable compromise. Starting this month, the Chinese are sending between 80,000 and 85,000 barrels of Daqing and Shengli crude a day. This is about 25 percent less than last year's level of 110,000 barrels daily.

"The tough Chinese terms also means some Singapore oil companies have dropped out of the deals," one source said. The companies that have signed contracts with Sinochem for this year are apparently Shell, Esso, Singapore Petroleum and Mobil. The possibility of longer-term Chinese processing contracts with Singapore did not materialise. This likelihood was raised last September when both countries' prime ministers agreed that China would send not less than three million tonnes a year of its oil (60,000 barrels daily) to Singapore for processing over the next three years. "But Sinochem Corporation did not bring up three-year contracts at all during our discussions with them," a Singapore official said.

"Our guess is that the Chinese want to be flexible and do not want to be tied to extra-long-term deals," he said. Singapore refinery officials say the outlook for this quarter is not too promising. The total amount of crude refined could drop from about 750,000 barrels daily to 700,000 barrels in the last quarter. This is due to depressed oil-product prices and increased product exports from new Middle East refineries.

MARCOS HOLDS 10 JANUARY PRESS CONFERENCE

HK100558 Quezon City Maharlika Broadcasting System in English 0200 GMT 10 Jan 86

[Press conference given by President Ferdinand Marcos at the Manila Hotel -- live; monitored in progress]

[Text] [Moderator -- Teodoro Valencia] ...Can you give us the reaction to this?

[Marcos] Well, this is one of those hallucinations that they have about the intent of the administration and of the president. I cannot foresee the proclamation of martial law unless, as I said, all of a sudden a miracle happens and NPA acquires the capability of attacking cities. I have said and I will say again: Unless there is street fighting to the city of Manila or in any other city, there is no way then to proclaim martial law.

[Valencia] Here is a question from (Bob Taylor), U.S. NEWS & WORLD REPORT: Do you feel that the Reagan administration has now withdrawn its unqualified support of your government after years of backing you without question?

[Marcos] I don't believe so. I think the foreign policy of the United States is steady, and there is a recognition of legitimate governments and democracies like the Philippines.

[Valencia] Mr President, this is the question from William Brannigan, WASHINGTON POST: Do you still stand by your earlier invitation for international observers to monitor the election?

[Marcos] Of course. We have invited everybody to come in. By all means, let them come. But as I laughingly said, we won't allow them to vote.

[Valencia] There's question from John [surname indistinct], the United Nations correspondent, LA PRENSA, Buenos Aires: Mr President, where do the NPA guerrillas get arms -- from abroad or only from the Philippines?

[Marcos] We are surprised at the supply of firearms which, in the fighting, we have captured no new designed firearms. Most of them are either captured from [word indistinct] against small units, the agaw ng armas [arms-grabbing] program, or can be bought in the secret market.

[Valencia] I have a question from (Philippe Lepais), French Television [word indistinct]: You said in your NEWSWEEK interview quote, I am ashamed to run against a lady. It's demeaning. [words indistinct] I have always refused to argue with a lady. I'd like to ask you, how do you reconcile this with the fact that the first lady is very much involved in Philippine politics.

[Marcos] Well, I don't see the relevance ... well, the first lady is my wife. Of course she is interested in the campaign. She has always been a part of the team, in general, since 1959 when I first ran for national office, the Senate, when I was a member of the House of Representatives. She does not argue, she clarifies certain points, and I suppose from the viewpoint of the [word indistinct] of time.

[Valencia] Again from my friend, Teddy Benigno, AFP: If you should lose this election, what are your plans? Will you continue in public life or will you retire and do the things you said you have always wanted to do like painting, sports, writing books, etc.?

[Marcos] I have always thought that I would win the election. [laughter, applause]

[Valencia] From William Brannigan, WASHINGTON POST: What evidence do you have that Senator Tanada and Butz Aquino are communists, as you recently charged?

[Marcos] Well, the definition of communists or fellow travellers or pinks is quite clear. Mr Tanada was one of the organizers of a [word indistinct] front organization known as [word indistinct]. He organized this organization with Jose Maria Sison who was later to set up the new Communist Party in Hacienda Luisita with Ninoy Aquino [word indistinct] and some other members of the opposition, which I need not mention now. His children, who are in-laws, are also wanted for being card-holding members of the Communist Party.

[Valencia] I have an interesting question: Mrs Cory Aquino said that she wants to debate with you, and you said you were ready and willing to do that. Do you still plan to do that?

[Marcos] Well, I am waiting for the time and place. You know it's always quite easy to challenge anybody, and I had hoped that we could hold it as soon as possible. I don't see any movement on the other side.

[Valencia] Mr President, this is from Jun Ramos of Dzec radio: What would be your feeling if, instead of Arturo Tolentino, Doy Laurel were to be elected vice president in the coming election?

[Marcos] I don't believe that Tolentino will lose in the coming election. I think [words indistinct].

[Valencia] Here is one from Sandy Burton, but I think this was partially answered, but I'll ask it anyway. Mr President, opposition leaders are increasingly expressing concern about what they regard as increasingly anticommunist hysteria which they fear may lead to a cancellation of the February 7 election or even the reimposition of martial law. Can you foresee any circumstance under which you would cancel the polling or impose martial law before February 7?

[Marcos] There are quite a few emergency powers of the president which can be utilized towards proclaiming martial law. That's the truth about it. I would not consider martial law at all unless there is street fighting within the streets of the city. [Words indistinct] no matter how the opposition denies it, there has been an understanding between the NPA and the opposition members that the NPA would help them somehow. This talk about boycotting and all that, I don't believe.

[Valencia] What do you intend to do with the scheduled May 30 local election now that you say we are going to have a presidential election on February 7?

[Marcos] Well, actually this matter is not under my control. Inasmuch as the Batasang Pambansa will be [words indistinct] after the election of the 7th, [words indistinct] of the returns, they have to proclaim the winner of the presidential election. Then they will have to decide when to hold the local election. As of now, the KBL, as the majority party, has decided that the local election should be held within the year of 1986 and [words indistinct], about the end of May.

[Valencia] By the way, this question was asked by the JIJI PRESS, (Philip Ilustre Jr). As a formal question to that, as I understood it from this very long question: If you were reelected president, would you call for the local election of May 30 or would you just appoint local officials?

[Marcos] No, that would be [word indistinct] clear -- there must be local elections, and they will be held.

[Valencia] This is a question about my good friend General Ver: You said Gen. Ver may have to retire before the election. Have you made up your mind, and if so, when? This question comes from (Millie Cruz).

[Marcos] Well, actually the matter is under study. We have no decision as yet because of the fact that the Escalante fact-finding committee involves right to the top, Gen. Ramos, in a minority charge of administrative negligence. Immediately Gen. Ramos offered to go on leave or retire [words indistinct].

[Valencia] [Words indistinct] if you have anymore questions to ask -- I don't think we have enough questions here to fill one hour. Would you please write down the questions so I can ask them? The opposition said, Mr President, that it wants equal time on government stations as well as in the [word indistinct] channel. Do you think they are going to get any ?

[Marcos] What I heard, the policies are clear -- I don't believe that there is any reason why they cannot get equal time. People say...

[Valencia] This question was asked by Gabby Tabunar of CBS News. Next question comes from Tom (Breen), WASHINGTON TIMES: Why was your campaign schedule cancelled in the last few days, and could you address reports that your health is worsening?

[Marcos] Why [words indistinct] should ask him to join him while I am exercising. The cancellations were due, first of all, to the fact that the [word indistinct] meetings coincided with the meetings of the opposition and we [words indistinct] speeches in the same cities and towns at the same time. And secondly, the weather has become rather unpredictable, and so it was thought best that we concentrate in or around Manila. It has nothing to do with my health or anything else.

[Valencia] In the event that the popular vote gives the opposition candidate a majority, are there any factors that would require you to remain in office and not surrender power? This is asked by Mr J.M. Reed, (MPF), or whatever it is -- I can't read it.

[Marcos] [Words indistinct] the basis of [word indistinct] question. [Words indistinct], I think that the problem of the majority party, I think now, right now, that we might win by such a big majority, it would be incredible.

[Valencia] How different will your next term be from the last 20 years? The old policies do not seem to be doing much good to the economy, and the insurgency problem is getting worse. This is Neal Cruz again.

[Marcos] I'm afraid, Mr Neal Cruz, doesn't know much about the problems of the country. He says it's getting worse. On the contrary, the country is known as the only country out of 35 which has succeeded in meeting the conditions, very stringent conditions indeed, from the International Monetary Fund, one of which conditions is the lowering of the inflation rate. We have [words indistinct] about 62 percent of October of 1984, and now we have gone all the way down to single-digit, at six or even less. And I understand that in many of the countries they have asked for help from the IMF and the World Bank. There is no other country that succeeded in doing so. While no [words indistinct], 40-42, down 15-17 percent.

We have stabilized the [words indistinct] and while the opposition [words indistinct], by 50 pesos to one dollar, we are now down to about 18, 17, or 19, and (?we have stabilized that). I will not go further into the economic indicators. As you very well know, our (?GNP) balance of payments has improved -- we now have \$1.5 billion in reserves. And the investment [words indistinct], long and medium (?credit) [words indistinct], or 71 percent. So all these are indicative of the fact that the small man is getting his share. I understand some businessmen in Makati are (?complaining). They too have increased their inventories as well as their sales and even point out that some of my most ardent critics are making money right now.

[Valencia] Mr President, here is a question from Mike Suarez, Associated Press: U.S. Senator Barry Goldwater, speaking in Singapore, said that although he thought you might win this election, he believes that if you should lose, you are not going to relinquish power. In other words, you are going to sit tight and not accept the winner.

[Marcos] I don't think that is what he said. He said [words indistinct] in power. Now what he means by that, I don't know. But as I have said in the past -- and I do repeat it now -- she is, let's face it, inexperienced and subject to all these pressures, and easily giving way to them. [Words indistinct] facing the Philippines, then we are in for instability for the next several years, and such instability may lead to bloodshed.

[Valencia] Here's a question from Nelly Sindayan of TIME magazine: According to reports, you told the American television news, MacNeil-Lehrer, that should Cory Aquino win, you will file a protest. Will this mean a delay in her proclamation?

[Marcos] [Words indistinct] it may or may not delay the proclamation. But both sides, I think, are going to plan certain actions in the event of any [words indistinct]. I do not think I will be defeated in the next election.

[Valencia] (?I have seen) some of the questions that are coming in are on questions that are previously answered, so we will delay asking these questions, after we shall have asked these more relevant questions [words indistinct]: In case you win in the February 7 election, will you revise your cabinet? Question by Mr Pat Gonzales of the BULLETIN TODAY.

[Marcos] Well, I think they will know, I have said we will reorganize the entire government, not just the cabinet. But this is something which we need to [words indistinct]. Let's see what happens.

[Valencia] Members of the KBL have complained of American meddling in the current campaign. Have you seen this meddling yourself, and if so in what form. This is from Mr Tom Ashbrook of the BOSTON GLOBE.

[Marcos] Well, there have been efforts to, say, recommend, for instance, we should remove some of the senior officers in our Armed Forces [words indistinct]. I don't think they were officially given and we treat them as such. If you call it meddling [words indistinct], way of saying that they are trying to interfere in matters that are internal to our country. But as far as I'm concerned, I have not received any official request that has to do with the internal affairs of our government. I think the American foreign policy is well defined. There may be some people who criticize the government but I don't think they are official.

[Valencia] What is your prediction for [words indistinct] from William Brannigan of THE WASHINGTON POST. In other words, if you were to win, by what percentage do you foresee this win?

[Marcos] Well, this is one of our problems, of course. We are trying to win by a credible majority. In the 1981 election, I won 92 percent of the votes. That was against a [words indistinct], and we hope that it will be 92 percent this time, [words indistinct] a lower rate and [words indistinct] figures. But I understand in the United States when you get 60 percent of the popular vote, it's a landslide. Well, we may get a little bit more than that. I hope they understand the political habits of the Filipinos -- the bandwagon mentality. No Filipino wants to vote for a losing candidate, and the moment they see where the votes are going, then we have everybody come in, and this is already beginning to happen.

[Valencia] Here is a question from Paul Quinn-Judge of the CHRISTIAN SCIENCE MONITOR: A number of sources, including senior KBL officials, say that your party has a campaign chest of at least two billion pesos. Is this correct?

[Marcos] Two billion pesos!

[Valencia] I want to have some of it! [Marcos laughs]

[Marcos] Well, actually we are going to keep the level of expenditure within the limits provided by the election code. That's known to everybody. I won't mention how much it is but, as you very well know, it is close to the 100 million level, and we are going to keep to that level of expenditure.

[Valencia] How about this -- this question is rather -- this is from THE ENQUIRER: You keep harping -- you say the president is very interested -- about the 50 advisers of your opponents. What about your own, especially in the light of the fact that the information they have been giving you is not accurate. This is an editorial, not a question -- but you may answer, if you like.

[Marcos] Well, as I would think that THE ENQUIRER would be better informed, and I am -- after all, it's part of the alternative press. But 50 advisers was the figure mentioned by the opposition, and so we used this figure, 50. From my point of view, many of them are ghost advisers.

[Valencia] This is a question from Dr Carbonell, Rolando Carbonell: What can you say about Cardinal Sin's apparent support of Cory Aquino and Doy Laurel? Will this affect your credible victory?

[Marcos] I don't believe that Cardinal Sin is in any way openly supporting my opponents in the opposition. I think he has taken a very reasonable position. We have a few indications that he is inclined towards referring to conscience, and as far as I'm concerned, that's pretty good. If the voter can refer to his conscience when he goes to the precinct, then I think the voters will vote for the administration.

[Valencia] Do you have any indications that the Americans would like to withdraw operations from the bases of Subic and Clark even before the treaty expires in 1991? This is from (Nick Williams), LOS ANGELES TIMES.

[Marcos] No, on the contrary, my indications are to the effect they would like to stay.

[Valencia] Do you plan to change your vice presidential candidate before the election? [Sentence indistinct]. [laughter] Gentlemen, I am having difficulty here because some of these questions are not questions. They are editorials and this is supposed to be a press conference. I cannot belabor you with some of these remarks. Can we have a frank appraisal of your opponent's economic program? This is from Mr Sol Vanzi.

[Marcos] Yes, the supposed economic program is a listing of certain objectives. They repeat the usual accepted points of arrival of any aspiring developing country. [Word indistinct] standard points which are raised as the final call of a [words indistinct]. She should change her speech writer.

[Valencia] Here is a question, a very long one, I cannot make anything out of it, but anyway, the question is: Do you think the United States would disengage from the Philippines? In other words, would they remove their bases here in the event that you win?

[Marcos] I don't think so. I understand that their official position now is that both parties may be willing to allow the extension of the bases. I don't know if this position has been confirmed by the opposition, but certainly I don't believe that the American foreign policy includes any intention to abandon the bases in the Philippines.

[Valencia] Mr President, this is a question from Tom Ashbrook of the BOSTON GLOBE: You have said that you would go after the oligarchs who are abetting communists. What measures are you contemplating to do this or are you just trying to intimidate Aquino supporters?

[Marcos] From our intelligence, it is quite clear that there are some supporters of the Communist Party from among the rich elements in various cities and provinces. I want these intelligence reports confirmed because certainly financing the Communist Party is [words indistinct].

[Valencia] We have a question from Guy Sacerdoti of the FAR EASTERN ECONOMIC REVIEW: Do you [word indistinct] reconcile your position that the opposition represents a conspiracy of both the left and the right? Is that not contradictory?

[Marcos] No, no. You see this has always existed in the Philippine environment. In 1972 there was a conspiracy within the left and the right which was one of the course of the proclamation of martial law. The right wanted to use the law and they are doing this right now. The oligarchs in the opposition think that they can manage to use to their advantage the NPA, and they believe that -- unlike what happened in, say, to the Khmer Rouge and Prince Norodom Sihanouk, and President Suharto of Indonesia -- they think that after using the NPA and the Communist Party, [words indistinct] to go away [words indistinct]. History points out that it is always the other way around -- it's the communists who do away with the oligarchy, the land-owners, the elite.

[Valencia] This is from Richard Vokey, NEWSWEEK magazine: You have been quoted as saying that the military might stage a takeover if Mrs Aquino were to win the election and the leaders of the Armed Forces suspected she were aligned with the Communists. Is this a prediction or a warning?

[Marcos] Well, we see the experience of many countries -- in the case of [words indistinct] and consequences of allowing communists to enter the country and allowing communists to join the government. I have said always that a coup d'etat or the attempt at taking over by the Communists in the military in Indonesia, which resulted in a blood-bath -- estimated those who died 700,000 to one million -- I hope this does not happen in the Philippines.

[Valencia] This is from Steve Mallory, NBC news: Concern has been expressed in Washington regarding the fairness and honesty of the coming election. American observers are already here to make evaluations. Is this an unwarranted intervention in the affairs of the Philippines?

[Marcos] No, I don't believe so, we have invited everybody to come and observe, and we hope that their presence will add credibility to the entire exercise.

[Valencia] This has been asked already but I will ask it again because the one asking the question is my friend, Tony Lopez: Just how likely is a military takeover in the event of an Aquino victory?

[Marcos] No, I have always said that these are the possibilities. Even on the campaign trail I always say that if there is a weak president who says she will depend on advisers, who doesn't know how to answer any serious questions especially about the recovery program, the military and the (?adventurism) that goes with the NPA and communism, and the Communists should acquire power within that government, there will always be a reaction, not only from the military but from the people. And then you might have a civil war.

[Valencia] This is from Sandra Burton of TIME: Mr President, what is your reaction to the statement of members of the military reform movement that Mrs Aquino is not a communist?

[Marcos] Well, they have their own ideas. We will certainly look into the basis for this statement, the matter is under investigation.

[Valencia] From [name indistinct] of the BULLETIN TODAY: You said that the KMU [Kilusang Mayo Uno -- May 1st Movement] is a communist-front organization. Is it because the KMU had been, among other things, fomenting [word indistinct]?

[Marcos] No, no, no, no. The head of KMU was charged with subversion and, in the specifications, the charge sheet was included the allegation that it was a communist-front organization.

[Valencia] Here is a loaded question [words indistinct], I must warn you. This is from Pierre (Feurel) of PARIS-MATCH of France: Arturo Tolentino is now 75. Most people think 75 is the time to retire. Why choose him a vice president? Who is your vice president -- meaning to say, who is your real vice president?

[Marcos] Of course we have Tolentino. Tolentino is a -- well, 75. As we laughingly say in the campaign trail, [words indistinct] a checkup of 2 days, the (?doctors) said that for 75 noted in the calendar, but medically and physically he is only 45. You can see from his body and the way he acts (?the fact) that he is quite young. And we need a vice president who can immediately take over in the event anything untoward -- God forbid -- happens to the president, and that is Tolentino.

[Valencia] Mr President, here is a very nice question from Peter Richards of THE SUNDAY TELEGRAPH of London: To what extent are the Communists in the Philippines supported by the Soviet Union?

[Marcos] I don't believe the Soviet Union is helping the Communists in the Philippines. Our intelligence reports indicate that there is no help coming from the Soviet Union.

[Valencia] What are the exact emergency powers to which you alluded to earlier that might be applied, short of a declaration of martial law before the election, in the event of increased NPA activity? (Bob Taylor), U.S. NEWS & WORLD REPORT.

[Marcos] Well, first of all, there is the possibility that we will confirm the intelligence reports of subversive or rebellious acts. We can easily obtain sworn statements of [words indistinct].

These are the issuance of a PDA [Preventive Detention Action] for the prosecuting enforcers, these [words indistinct]. Let's see, for example, those three lawyers in Davao. Some of our human rights writers here in the Philippines said that they were being arrested on a PDA. Actually there were arrested by a (?court), upon the filing of the proper charges supported by sworn statements. The same thing with [words indistinct] in my own province, Ilocos Norte. One of those who commented on it spoke of his being arrested because of a PDA. Actually he was arrested on a warrant of arrest issued by a judge. The PDA followed. This is the usual procedure, the sequence of events. I don't usually issue PDA's unless there is evidence which can be presented in court as a basis for filing a criminal charge.

[Valencia] Discounting the alleged communist leanings of some people in the list of the 30 to 50 advisers of Cory Aquino, do you feel that they have sufficient expertise, talent or depth to run a government in politics? Alex Allan, the PEOPLE'S JOURNAL.

[Marcos] Well, actually I have always maintained that there is not one among them who has ever succeeded in helping, say, pass reforms, transform our country, notwithstanding the fact that they have held public office. They are a very [word indistinct] lot. There has been no steadiness in their kind of work, and I think it's not only the government that does not believe in them because of the communist part.

[Valencia] This comes again from Tony Lopez of ASIAWEEK: How come you have not been to the Visayas and Mindanao?

[Marcos] Because of the weather, and secondly because of the fact -- first of all, in the Visayas, they were holding a plebiscite on the partition of Negros Occidental. Negros is a -- well, supposedly opposition country because of the sugar problem, and so we thought that it would be best if we left the Visayas untouched for a while and find out if, really, in the plebiscite the KBL would be completely trounced. But to my surprise, in the plebiscite, the two parties [words indistinct] 135 votes -- 135,000 votes.

[Valencia] Mr John Ramos, DZEC: Why do you make communism as a major issue in the coming election against the opposition?

[Marcos] If you think that communism is not a major issue, then I suggest that you restudy the history of these countries surrounding us because, whether we like it or not, communism has always been a threat to any small developing country. [Passage indistinct].

[Valencia] There was supposed to be an assassination attempt on Imee Marcos on Janaury 8, the burning of a minibus in Pampanga on January 7, the alleged assassination attempt on a military official and a Bataan town mayor. Do you see a pattern in these incidents?

[Marcos] Well, terrorism has been adopted by the NPA as one of the [words indistinct], as an insight into all kinds of terrorism as well as rebellions and communist or non-communist insurgency have said. The terrorists in our country are more vicious and perhaps indeed the most vicious lot throughout the world. And those who have attempted assassinations are coming forward right now. But with respect to Imee, I believe that the gun that was [words indistinct] of this man who had shaken hands with her was discovered after she had passed, and there really was no attempt at assassination.

[Valencia] This is from Tony Lozano of Channel 7: In the last Batasang election, five opposition candidates won in Manila and only one of them from the KBL. Do you think the city of Manila will carry the Marcos-Tolentino ticket this time?

[Marcos] I believe so. Of course we were caught by surprise in 1984. As you will remember [words indistinct] the candidates were not campaigning together. In fact they were campaigning against each other. There was no integration of the schedule and organization. In short, we probably were caught by surprise in Metropolitan Manila. We don't intend to be caught by surprise now.

[Valencia] This is from Jun Bautista, Channel 7: How true is it that President Reagan has already indicated plans to come to the Philippines for your inauguration?

[Marcos] Ha, this is the first time I hear about it. We now believe in -- who is this seer? Well, if that is so, I should congratulate him for being a clairvoyant.

[Valencia] A very interesting question from THE WASHINGTON POST: Mr President, medically and physically, how old are you? [laughter]

[Marcos] Ah, well, medically they say I am 40. In the campaign trail I always get a laugh when I say, if you ask my wife, I'm 25.

[Valencia] This is from Wayne Robinson, NATIONAL TIMES OF AUSTRALIA: There were reports this week that the United States is considering two plans in the event of your victory -- one, a massive increase in military aid to fight the NPA, together with demands for broad reforms; or, what is termed as strategic disengagement. Do you think the United States will go for either option, and if so why?

[Marcos] I believe that there will be a steady foreign policy of the United States. Foreign policy is not something that you change overnight, even as the result of an election. We are all agreed that here in Asia we seek to establish no matter how crude or precarious a military balance of power -- otherwise you have a war here. Until the United Nations can guarantee the safety of any country or region, there is a need for the balancing of forces in Asia, and this can be done only if there is both a United States presence and a Russian presence, and the Cam Ranh Bay development and others indicate the need for that balance of power.

[Valencia] This is from (David Bamm) of the LOS ANGELES DAILY NEWS. What have you discussed with Senator Philip Brown? Did he bring a message from President Reagan?

[Marcos] I have not met with him, I'm supposed to meet with him this evening, er, then I will find out.

[Valencia] This from the ECONOMIST of London, Nigel, hard to read anyway, how can the Philippine economy revive when foreign bankers will not allow it to happen?

[Marcos] I don't see the point, because the foreign bankers have reestablished a 3 billion trade credit. Foreign bankers have now opened the windows to private investors here in the Philippines. Foreign bankers have agreed to restructure both all the education development aid program loans as well as the private loans. I believe that the foreign banks have reestablished the creditworthiness of the Philippines.

[Valencia] Question from (Dayo Makima) from DZRS radio. Is it true that you will create a new ministry, very likely the Ministry of Interior, and that General Ver will be the minister?

[Marcos] General Ver has never even been mentioned for member of the cabinet. The matter of the creation of a Ministry of the Interior has been, er, well in the planning stage for the past 10 years.

[Valencia] Here is one from (Garcia Sabana), very insistent question. Can you expand on what you said about giving equal time to the opposition on television, print, and radio. Can you now verbally order the government stations to give the opposition equal time? This is from [words indistinct] of CBS news.

[Marcos] Well, he is a little bit tardy, I have taken this up with all those who run the government stations, and they have said that they have always offered equal time to the opposition.

[Valencia] Here's one again from Sandra Burton. The first part of the question I think was already answered, this had to do with the emergency provisions that would allow you to finish your term in the event that you lose to Aquino, in other words, that you might exercise your emergency powers. But that has been answered, I think, so we'll ask her second question, Mr President, has Assemblyman Tolentino been lobbying with you to give up your decreemaking powers if you are reelected, and are you considering doing that?

[Marcos] Well actually I have already announced that after the elections we intend to review all the basic policies, including Amendment No 6, and the PDA's [Presidential Detention Actions], as well as the other emergency powers of the president. However, there must be a necessity to [changes thought] there is a need for first determine exactly what kind of a government we want to have in the Philippines. So long as you adopt the French model, the emergency powers of the president issuing decrees will have to stay. And so there is a precondition to all of this, and that is, an entire review of the entire Constitution of the Philippines.

[Valencia] Mr President, we are almost nearing the end of this thing, because I see that many questions here are either repetitions or they come from the same person. Some of them have submitted 10 questions, which I will not read, because of a sense of fairness to the others. Now this one question, for example, we are emptying the bottom of the barrel. This question is an editorial from Paul Rutledge: What new policies on the economy and the insurgency can we expect after February 7?

[Marcos] Well, actually, the policies that we have adopted are quite sufficient, but first of all, we should place more emphasis on the possibility that we may have to fight the insurgents alone without the help of anyone, and so the self-sufficiency program of the Armed Forces of the Philippines will be emphasized. This will mean that the appropriations for the Armed Forces of the Philippines may have to be maintained at a higher level than it is now. This also will mean less investment by government in any economic enterprise. I see the opposition thinks that the government is competing with private industry. Well actually they are a little tardy about all of this, because we have announced before that it is the policy of government to pull out of investments in the private sector as quickly as possible. That's why I have ordered the sale of non-performing assets by the Philippine National Bank and the Development Bank of the Philippines. We are also going to recast the expenditure of money as divided between industry and agriculture. We are well aware that we have placed an emphasis on agriculture. The first \$100 million loan from the World Bank goes into agriculture. I see where the opposition frets about monopolies in sugar and coconuts. This proves that their economists are way behind, because if there were any monopolies, the Unicom [United Coconut Commission] was dismantled some time ago; in sugar, Nasutra [National Sugar Trading Corporation] which is not a monopoly, has also been dismantled and we [words indistinct].

So these are some of the basic policies which will be changed. Probably what will happen also is, as everybody knows, we have been trying to keep the money supply, which is of course the bank deposits and money in circulations, at the level of P28.8 billion. Our reserves have been kept at 33.8. So although we could spend another four billion out of the reserves, we are very cautious, and with the upturn of the economy, we may now be bolder and may use some of the reserve funds in order to increase agricultural and industrial activities.

[Valencia] I wish to apologize to the one who asked that question, that was not an editorial question. This is the editorial question from Tom Ashbrook of the BOSTON GLOBE: The communist insurgency has grown to its current strength under your administration. Why should the Filipino people expect any better performance from your government in the event that you are given a new 6-year term?

[Marcos] Well, first of all, we question this charge that the performance of our government has been below par. A neutral observer like, say, the IMF, which is more exacting and more demanding than any of the other observers and critics, has well said that the Philippines has performed creditably. And to unilaterally say without any basis whatsoever, that our country has not performed well, is, I think, undeserving. And I believe that a mere reading of a few of the economic indicators will show that we are doing well and we are on the takeoff stage of recovery.

[Valencia] Mr President, the last two questions now. First question from Mr Lopez of ASIAWEEK: Is it my understanding that you are keeping your options to declare martial law or abort the election, in the event of an NPA attack on the cities?

[Marcos] No, no, no. That was made even before the call for a snap election. I was asked the same question, under what circumstance would you declare martial law, because I have always said that there was no need to declare martial law. This is under any circumstances, whether there are elections or not. But certainly, without proclaiming martial law, I still think that the NPA, the Communist Party, or any other illegal organization, do not have the capability to raise a storm within any of the cities. I think that the possibility is almost nil. So I don't believe that there is any reason to doubt that the elections will be held. They will not be aborted, and we intend to win the elections.

[Valencia] Mr President, the last question. Philip (Lustre) of JIJI PRESS: What is your reaction to the resignation of your Ambassador Shahani?

[Marcos] I, I certainly wish her well. She, of course, might be carried by her emotions, like any other lady. [laughter] I give her the right to speak for what she may consider her beliefs and principles. I have not done anything about it, except ask the members of the family whether she represented the whole family or not, and the answer is in the negative. We will, we should allow her to express her own beliefs, for this is part of the freedoms that we certainly hold sacred.

[Valencia] Mr President, we are now closing this interview. We ask that you give us a closing statement if you wish, otherwise the interview is over, thank you, ladies and gentlemen.

[Marcos] Well, may I say this. Um, the question of communism is not a laughing matter. It's not a matter that [words indistinct]. The history of countries all around us, and in Africa, in South America, indicates that people who have jested and laughed about communism are now under the oppressive rule of communism. We do not oppose communism as an ideology.

We oppose the adoption by the Filipino people of communism because it does not coincide with our traditions and our people would react violently to any attempt to bring communists into the government. This would result in a bloodbath. The matter of leadership and experience is also not a laughing matter. These are matters which may determine the destiny of our country in the next several years, next decade or more.

To say that we are facing crisis is to admit and say that we need a stable leadership in the government. We note the ambivalence, the wavering, the changing of position, the lack of definiteness in the opposition. One day they say they will allow the NPA to help them; the next day they disavow any connections with the NPA. And we get the statement of Jose Maria Sison, who is under guard, who is in prison, founder of the new Communist Party of the Philippines. And this reminds us of the danger arising from the fact that the late Senator Aquino, while identified with the Communist Party, because he participated in the reestablishment of the new Communist Party with Jose Maria Sison, and some other members of the opposition, whose names I will not state right now -- shows that there is some kind of an understanding between the NPA or the Communist Party and the opposition.

It is my hope that in this campaign, we shall be allowed to prove by information, dissemination of information, and by reasoning required by the realities of the campaign and required by the demand for clarifying the issues, that during this campaign alone, we will be able to dissuade [words indistinct] from playing around with the NPA, or to play around with the leadership of the country with such token suggestion about objectives and calling it an economic program.

The other matter which I wanted to call attention to is that the KBL, under my leadership, has aimed at very high visions. The most important reformation that we had in mind, not only during the writing of the book on ideology, but from the beginning, 1965, was to convert a people whom we found indifferent, uncommitted, and resigned to desperate kind of hopelessness, [words indistinct]. The truth of the matter is that the participation of the lower classes in the income from economic progress has increased, whereas before, the elite, especially those who opposed the administration, were the only ones [words indistinct] were engaged in monopolies. They monopolized many of the industries, monopolized some of the trade, and, contrary to their statements, the IMF itself and the World Bank have found that there was no monopoly in the coconut industry, because it was, the Unicom was owned by all planters, not by any single individual, and this was dismantled some time back.

I notice that they are talking about dismantling monopolies, especially in the sugar and coconut industries. This shows that they are way behind the times. This shows that they are playing at leadership. They are playing at solving economic crisis. We cannot allow this casual treatment of a serious economic crisis, and I hit the campaign trail not only as a candidate but as president. As president it is my bound duty to warn our people against any danger that may arise, whether now or in the future. As president I see very clearly what might happen if the opposition won these elections with their disorganization, because they are disorganized. And one of the reasons we are very confident in this election is, we discovered this in the process of campaigning, they were unable to work out their organization even for the election inspectors all over the country. There are, or there were in 1984, 84,000 precincts with voters ranging from 300 to 400 each precinct. They had difficulty, they have difficulty now in organizing even on the provincial level. Their organization on top does not seem to have any connections with the grassroots, and so we can see that they are playing at the presidency. They are not serious about solving the ills of the country.

This is dangerous, for anybody to say, I want to be president, and if there is any problem, I will just refer it to an adviser.

They don't even know who those advisers are, really, except for a few, and many of them are, as I have said, inclined toward the left.

But worse than this, whatever advisers she has given advice very badly. Well for instance, where you cannot use an adviser, I got a telephone call one afternoon when the first lady was sent to Libya, to negotiate a ceasefire with the MNLF in Mindanao, the Muslim areas, and to work out an agreement under which we could stop the fighting completely; and this telephone call came from my wife, and she handed it to Colonel Al-Qadhdhafi, and Al-Qadhdhafi said, we must decide this in 50 minutes, because the Organization of Muslim States is waiting for me. And we then decided on what to do in the matter of the government, or rather the local government that would rule the Muslim areas. And we got snarled on the matter of the plebiscite. I had to explain to him that we had a Constitution, this is [word indistinct] a Constitution, (?whereas he) believed in plebiscite, does not believe in referenda, and he asked me, I thought you were in control of your country. I said, I am, but in a democratic way. And so then and there we had to decide exactly what to do. You don't use advisers when you make such decisions. And so in 50 minutes we decided to cease fire, we appointed ceasefire groups, negotiations would take place in both Libya and the Philippines, and for a delegation of the foreign ministers of the Muslim states to come over to the Philippines and observe everything, including the negotiations for the cessation of fighting in Mindanao.

Now there you could not have used an adviser. The man on the other side of the line is not known for his patience, and he wanted his decision in 50 minutes. How could you have asked your advisers to work on this? I was on the golf course, incidentally. Usually you don't disturb the president playing golf or exercising, unless there is a war, and the war is with the United States and we are winning the war. [laughter] But in this particular case, they told me it was the first lady, and that is worse than a war, so I had to answer the telephone.

Now this brings to mind the many things that the president has to do. In fact the president has to think of the many probable conflicts that he has to decide on in future, and sometimes when you make a certain decision, on a snap election for instance, people think that you have been impetuous when actually you have been studying this for 1 year.

Now the carelessness and the casualness with which either the candidate herself or her advisers indicate danger; danger for the country, danger for the individual Filipino, and so I am active in the campaign trail not only because I am a candidate but because I am president. And it is necessary for me to warn our people about these dangers that confront us, which may be dangers of our own making and which may be settled by the election, completely.

Now I began this morning with the statement that when I became president, I discovered as I looked around a people that were indifferent, uncommitted, and resigned to desperate hopelessness. They thought that their impoverishment and ignorance was a part of the destiny, a verdict of the gods, and they did not want to do anything about it, that was the worst. So there was a need for moral rejuvenation. There was a need for a change.

The opposition does not seem to understand what this is, but this actually is the ailment of every developing country that has gone through colonialism, that has been oppressed, that has lost the initiative, the dignity, self-respect that every human being must have. In order that the country may progress, we developed the self-reliance projects through the granting of credit to people who [word indistinct] members of society when they were so down. They were permitted to borrow if they had a good program. And this [as heard] programs are often available in the transfer of up-to-date technology, and this credit, the kind of credit that is given without collateral, does not sound very revolutionary when it is actually as I do know, but it has revolutionized

credit that is given without collateral, does not sound very revolutionary when you (word indistinct) it is casually as I do know, but it has revolutionized the entire countryside.

And even in the urban areas, the slum areas where people live in impoverishment, ignorance, and without any hope, and so we do raise the issue of social justice.

When I speak of this oppressiveness, I think in terms of social justice, which can [words indistinct] does not seem to sink into the minds and the souls of our opponents. They have never talked of social justice. They have never talked of economic rights. They talk of political human rights, and they send all kinds of investigators here. But before you can utilize political rights, as we have discovered in this country and other developing countries, you must have economic rights.

Now they talk about corruption in government and hidden wealth. I can only say this: that we have confronted them in the Batasang Pambansa, in the legislature, and demanded that they present evidence on these charges, and they were unable to do so. They have sworn to a statement before a private notary public, before the documents became official or part of the official record of the Batasang Pambansa, do they [words indistinct] supposed hidden wealth to their own knowledge to be both true and correct. They were asked to prove this, and they could not. And so there is a perjury case that has been filed against members of the opposition who signed the sworn statement to the effect that they knew to their own knowledge the proof of these statements in the impeachment petition. This perjury case is still pending. There is also a libel case that is pending. All I can say is that it is necessary that we look into these facts because they have made it an issue.

Some people also say, including the lawyers, why make Ninoy Aquino an issue? Because they made him an issue. They painted him as a paragon of virtue. And the candidate said I am here because I seek justice for Ninoy Aquino, who was really fighting for democracy, and so an issue was made. Ninoy Aquino was the knight errant for democracy, who actually, er, a man, who has brought about much suffering in our country.

They said there was no reason for his arrest, and so we needed to open up the records of his case, which was pending before the court in which he was given the death verdict. Now, did we do as some members of the opposition say, that we are guilty of this assassination? This certainly is an indication that they must be desperate. And she denies now that she had said that she would have me arrested, but I think you will find it stands on its story. And so if we wanted Ninoy to be destroyed, would it not have been more of, more sensible if we had just ordered the death verdict to be implemented? Why shoot him at the Manila International Airport? What was the purpose? And yet we helped him go to the United States, have a bypass, and we even gave him a doctor who took care of him during the plane flight. He had an attack in the plane, and without the doctor he would have died. Mr Aquino called me up one time about a year or two ago, and he asked me what his role could be in the new society and asked me about this [word indistinct] project. I told him that there was a necessity to restudy the whole thing if he came back and sought a reconsideration.

Ah, I say that Mr Aquino -- and even Sergio Osmena, meaning my opponent in 1969 -- were about ready to negotiate with the government, and these are not the circumstances under which you plan assassination. Again I say I speak out today, and these days not only as candidate for reelection as president but more as the leader of my country who feels that it is my duty to warn all people against the dangers that confront us, and these dangers are becoming more obvious by the day. Now [words indistinct] that we needed moral regeneration for our people. Um, people who have never been oppressed by colonialism may not understand the sensitiveness with which we feel oppression and the effort to deny you identity and dignity. We have followed our (?roots) to Asia and we are now proud of our own culture -- the songs, the dances that we now show to the world [words indistinct].

Some dances for maids and servants and the cultured people, allegedly cultured people like the elite never bothered about those native songs until the Marcos administration asked the question: Where do we come from? What are our roots? What can we be proud of? Can we be proud of our past?

And then we of course continued the efforts of such people like Recto and the other nationalists to remind ourselves of our heroes like Rizal. The books of Rizal were never read in any Catholic School, the books of the propagandists and the revolutionaries [as heard]. It was very painful to many of us to read that the oppressors and the colonizers had ordered the burning and destruction of all the monuments of culture of the Filipinos, and we sought to build them, as some of us attempted to write the history of our country from our viewpoint -- not from the viewpoint of the stranger and the colonizer. Nobody has ever tried to do so before. And I tried to reestablish pride in the achievements of our heroes who had been degraded by the foreign master, and I believe that we succeeded. I believe that it is one of the biggest transformations that has been started. I see this as a continuing effort. We may not finish it in our own lifetime, and it is our hope -- my hope -- that we will contaminate the succeeding generation with this fervent flame, the flame of divine discontent. Um, finding a people that would not want to [word indistinct] itself, and now we have at least, I think, contaminated quite a part, already a substantial part, of our people who now stand up with a little dignity and say that I am the equal of any man here on earth. Other people, other strangers used to better lives may scoff at our sensitivity, our insistence on our little dignities, but this is a serious matter for us. As I said in Bankusay, Tondo, when we were distributing the small lots for the slum-dwellers: We return to you not just a small piece of land; we return to you the most valuable of all -- your individual and national dignity. And this is something which everybody understands.

When you speak of dignity you speak of oppression, you speak of lack of social justice, you speak of the elite looking down on the poor, and you speak of the poor accepting their destiny of impoverishment and ignorance. Democracy cannot thrive in an atmosphere of ignorance, so we have increased the literacy rate from 62 to 92 percent, and we are continuing to improve the quality of our education. But more than this, I presume it is the resurgence of a new Filipino spirit which I hope will continue. And this is what we are striving for. This is what I run for president for. This is why we need a new mandate. We need a mandate to continue the momentum of total transformation of our people, and not to return to those feudalistic days when a few people dictated the destiny of our country. We hope that this [words indistinct] for this election. I have -- I am confident that, with the people referring to their consciences when they go to the voting places -- these ideas, not just Marcos or Tolentino's or the KBL, but these ideas of the resurgence of the Filipino spirit, the return of this dignity and self-reliance will triumph. Thank you and good day. [applause]

AQUINO COMMENTS ON MARTIAL LAW POSSIBILITY

HK101143 Hong Kong AFP in English 1056 GMT 10 Jan 86

[Excerpts] Manila, Jan 10 (AFP) -- President Ferdinand Marcos today said that he could reimpose martial law before a February presidential poll and opposition candidate Corazone Aquino said it was a pretext to avoid facing voters. Mr. Marcos told a news conference that he could reimpose martial law before the February 7 election if communist rebels threatened Philippine cities or if there was fighting in urban areas.

Mrs. Aquino, asked by AGENCE FRANCE-PRESSE whether she thought the president would declare martial law to cancel an election, reacted by saying that Mr. Marcos' remarks were an excuse. "I hope he does not use the same excuse that he used in 1972," she said in the eastern town of Tigaon. The president said when he imposed martial law in September 1972 that he was doing so to prevent what he described as chaos and several assassination attempts against top government and military officials. "With Mr. Marcos, anything is possible. We never know what he really means," Mrs. Aquino said.

More than 75,000 people, according to independent estimates, lined the streets in Tigaon and three other towns and cities as Mrs. Aquino campaigned in the Bicol Region of southeastern Luzon Island, one of the focal points of the NPA insurgency. The Bicol Region voted 8-4 in favor of the opposition in the May 1984 general elections. Earlier today, Mrs. Aquino drew an estimated 50,000 crowd according to independent estimates when she campaigned in Naga. The opposition put the crowd at more than 80,000. Mrs. Aquino said her visit to depressed towns had enlightened her to the "oppressing political economic programs" of the government.

In Manila, Mrs. Aquino's campaign staff issued a statement appealing to government employees to vote according to their conscience, charging that Mr. Marcos' ruling New Society Movement (KBL) was coercing them to vote for him. "I am confident that government service can be significantly improved by simply eliminating waste and inefficiency and by motivating the civil service through the example of selfless national leadership," the statement said. "I want to see again in the Philippine bureaucracy the qualities for which it has once been renowned -- honesty, helpfulness, competence and humility."

The governor of a central province today offered to resign from the KBL, saying the "apparent denial of justice" following election-related violence in May 1984 in his province had adversely affected his credibility as a leader. A copy of the letter from Antique Governor Enrique Zaldivar was delivered to the AFP Manila Bureau by his sister Sally Perez. There was no immediate reaction from the presidential palace.

AQUINO TOURS CORDILLERA; KBL SIGNS COALITION

HK091251 Hong Kong AFP in English 1228 GMT 9 Jan 86

[Text] Lagawe, Philippines Jan 9 (AFP) -- Opposition presidential candidate Corazon Aquino today pledged to work for the autonomy of the Cordillera region of the northern Philippines, on the last leg of a three-day campaign sortie in the area. "We are committed to tribal Filipinos. We want to help you preserve your culture and traditions," she told an estimated crowd of 4,000 people, many of them tribesmen, at a rally in this capital town of Ifugao Province. Cordillera residents, mostly tribesmen, have called for regional autonomy to preserve their cultural traditions and prevent the taking of their ancestral lands.

Meanwhile, in Manila, President Ferdinand Marcos' ruling New Society Movement (KBL) signed a coalition with a faction of the Nationalist Party (NP) the country's oldest political party, a presidential palace statement said. The agreement marked a "turning point from expectancy to certainty of a KBL victory in the coming (February 7) presidential elections," the statement quoted Mr Marcos as saying. Mr Marcos first won the presidency in 1965 under the banner of the NP, which later broke into several factions when Mr Marcos unified his party with the Liberal Party, forming the KBL before the first parliamentary polls in 1978. A faction led by former Senator Jose Roy reorganized the party as a separate group until today's coalition. The faction has two M.P.'s in the 179-member parliament and about 30 local officials as members.

Political observers said that the faction involved in the coalition was a group which had not joined with another NP faction led by the elder brother of opposition vice-presidential candidate Salvador Laurel when it earlier joined Mrs Aquino's United Nationalist Democratic Organization (Unido).

Mrs Aquino today swore into the Unido 10 local KBL officials led by former Ifugao Vice Governor Johnny Langbayan and Legawe Mayor Napoleon Hangdaan. "I understand why your problems have not been attended to. You have not had genuine Ifugao leaders representing you in the governorship and in the National Assembly," she said. On the last day of a three-day sortie into the northern Philippines, a traditional KBL stronghold, Mrs Aquino took time off today to don a colourful native skirt for a two-minute tribal ceremonial dance to the beat of brass gongs.

The opposition rally was held under the watchful eyes of uniformed soldiers armed with automatic rifles and armored personnel vehicles loaded with soldiers near the rally site. Their presence was linked to a full military alert in the region and the opposition campaign. Some placards were on show today saying "stop militarization of the Cordilleras." The military has placed the mountain region under full alert, as it is the focal point of an escalating communist insurgency in the main island of Luzon. Fighting is raging between the communist-led New People's Army (NPA) and the military in this region and the surrounding area, causing casualties among civilians caught in the crossfire. The Ifugao military provincial commander and four of his men were gunned down in a town near here December 28.

Mrs Aquino later urged teachers and the military that "it is your duty to see to it there will be fair elections. You owe this not only to yourselves but also to the Filipino people." She also denied Mr Marcos's allegations that she was being backed by communists and that her slain husband Benigno was founder of the banned Communist Party of the Philippines (CPP). "I'm afraid Mr Marcos is very tired these days. He doesn't know what he's talking about. Let us give Marcos a rest," she said. Before her Ifugao rally, Mrs Aquino led a rally attended by more than 2,000 people in Diffun Town in Quirino Province.

Radio Reports KBL Agreements

HK090747 Quezon City Maharlika Broadcasting System in English 0400 GMT 9 Jan 86

[Text] Two more political groups today are to sign an agreement to coalesce with the KBL. The agreement is to be signed in Malacanang. The two groups which will be supporting the KBL are the Nacionalista Party [NP] of former Senator Jose Roy and the Mindanao-based (Consiyensiya) ng Bayan [Nation's Conscience]. Roy will sign the agreement for the NP while Assemblyman [name indistinct] will sign for the (Consiyensiya).

AQUINO SEEKS TAX REFORMS; KALAW CRITICIZES UNIDO

HK091617 Manila TIMES JOURNAL in English 9 Jan 86 pp 1, 5

[By Catalino Makabenta]

[Text] Opposition presidential candidate Corazon C. Aquino yesterday called for an immediate reduction of the sales, energy tax and all other "repressive taxes" to bail the people out of their current economic difficulties.

Campaigning in Tuguegarao, Cagayan, Mrs. Aquino urged the Marcos government to "cut waste, instead of taxing business and the people more." She advocated a drastic cut of the energy tax, noting that it made up about 50 percent of the present cost of fuel.

While Mrs. Aquino and former Sen. Salvador H. Laurel, her vice presidential running mate under the Unido [United Nationalist Democratic Organization] banner, barnstormed the Cagayan Valley, a KBL stronghold, Liberal Party candidate for vice president Eva Estrada Kalaw, stumping in Ifugao, labelled the Unido as the "alter ego of the Kilusang Bagong Lipunan, a fifth column that will betray and deliver the opposition into Marcos' hands at the right time." Citing the recent crop of KBL-turned Unido politicians like Governors Carlos Fortich of Bukidnon and Felicisimo San Luis of Laguna and ex-Assemblyman Eddie Ilarde, Mrs. Kalaw charged that Unido is part of "Marcos' grand design to control the opposition by subverting it from within."

"When we in the Liberal Party [LP] noticed where the Unido was heading, we bolted from the coalition to reorganize the LP," Mrs. Kalaw said, adding that Unido's apostasy from the opposition cause had left her party as "the only legitimate opposition fighting machine."

"Unido continues to divide the opposition while ostensibly trying to do the opposite. The camp of Cory Aquino suspects the Unido people of trying to start a rift over funding and leadership. Cory is also reported to be uncomfortable with the so-called KBL defectors," Mrs. Kalaw said.

Meanwhile, Laurel assailed the KBL leadership in Cagayan Valley for "promoting militarization" to cow ethnic tribes in the area, and for "coddling local tyrants" who, he said, had denuded the once verdant valley of its forest cover, thereby destroying the ecological balance in the area and making it vulnerable to soil erosion, landslides and flash floods. Laurel said the "local tyrants" in Cagayan, "like a swarm of pests which lay waste everything in their path, had squeezed wealth from the land at the expense not only of the people, but worse, of future generations yet unborn." He vowed that as soon as the Unido comes into power after the Feb 7 snap election, the new ruling party would restore the "lost ancestral rights" of the Cagayan ethnic tribes and the ecological balance in their ancestral lands.

During the Unido rally in Tuguegarao, incumbent KBL Mayor Apolonio Reyes defected to the opposition and pledged all-out support for the Aquino-Laurel ticket. Former Congressman and Constitutional Convention delegate Benjainin Ligot, another opposition convert who was formerly a political henchman of Defense Minister Juan Ponce Enrile, appealed to Enrile "to keep the polls clean in Region 2 so that the true will of the people will prevail." Enrile is the KBL chairman and acknowledged political kingpin of Region 2 comprising the provinces and cities of the Cagayan Valley.

In a separate rally in Aparri, Cagayan, Ms. Aquino appealed to defense and military authorities to bring to justice the killer of Fernando Villanueva, a Cory Aquino for President Movement leader, who was shot to death last Dec. 31 by a still unidentified gunman. All the members of Villanueva's family attended the opposition rally.

AQUINO VOWS TO BATTLE REBEL RESISTANCE

HK100301 Manila Far East Broadcasting Company in English 2300 GMT 9 Jan 86

[Text] Opposition candidate Corazon Aquino vowed yesterday [9 January] -- to flight communist guerrillas who refuse to lay down their arms but she said she would welcome nonviolent communists into the government. The Aquino position was disclosed in a campaign news release by Mrs Aquino's Manila press office.

Aquino and her running-mate Salvador Laurel are currently campaigning in Northern Luzon. In the press statement, Mrs Aquino said she will fight with every available resource those who seek to overthrow the democratic government and the dismantling of sacred democratic institutions and fundamental beliefs in God.

In Cebu City, former Senator John Osmena accused Mrs Aquino of being indecisive due to her failure to settle the campaign leadership issue in the city. Osmena is expected to press for a decision of the conflict in the campaign leadership between the Panaghiusa [United Group] and the (Bando)-Minnie Unido. The former senator added that Aquino has to choose once and for all between the two groups. Osmena is the cochairman of the Panaghiusa group and the Bando-Minne Unido is headed by Osmena's cousin Minnie. The decision is expected to be reached during a campaign sortie tomorrow in Cebu City.

MILITARY FACTIONS MAY BLOCK AQUINO VICTORY

HK091531 Manila BUSINESS DAY in English 9 Jan 86 p 20

[Text] Marcos loyalists in the military will not allow opposition presidential candidate Corazon Aquino to assume the presidency if she wins over President Marcos in the Feb. 7 polls, MP Homobono Adaza, head of the Mindanao Alliance, said yesterday.

Adaza said his sources in the military have indicated they will prevent Mrs. Aquino from assuming power on grounds the communists may take over if she does. Adaza said one general active in the service had told her "they (the military leaders) might be the first to lose their heads in case Mrs. Aquino's victory would open the gates to a take-over by the left." Adaza has called for a stop to President Marcos's "ridiculous" charge that Mrs. Aquino is being supported by the communists as "this will divide the country unnecessarily and may trigger a military coup should Mrs. Aquino win the presidency."

Adaza also said he sees the public statement made by the reformist movement in the military that they do not believe Mrs. Aquino is communist-supported and that they would do their part in ensuring that the coming poll will be left clean and peaceful, as a "warning to the Marcos loyalists that they can't monkey around by cheating in the coming elections." Adaza pointed out that the President is, in fact, "the one who has been flirting with the Reds." He cited the alliance entered into by the President with the Soviet-oriented Partido Komunista ng Philipinas (PKP) in December, 1974. According to Adaza the President even gave "vast tracts of land to PKP members as well as enabled some PKP leaders to get into the Ministry of Labor." Adaza cited lawyer Ruben Torres, who had become a MOLE [Ministry of Labor and Employment] consultant.

He likewise said it is the President and his wife Imelda who are, indeed, friendly with the communists. He pointed to the various trips made by members of the President's family to China and Soviet Union.

CPP LEADER DENIES FOUNDING BY BENIGNO AQUINO

HK091523 Manila BUSINESS DAY in English 9 Jan 86 p 20

[Text] The alleged founding chairman of the Communist Party of the Philippines [CPP] had called "absolutely untrue" the charge recently aired by President Marcos that the late former Sen. Benigno S. Aquino Jr. and members of his family were among the organizers of the CPP.

Jose Ma. Sison, who is now detained at Fort Bonifacio on charges of subversion, said in an interview dated Jan. 5 (a copy of which was made available to BUSINESS DAY that the President's accusation contradicts previous government statements as to how the CPP and the New People's Army were established. "(Marcos) should stop accusing a dead man who cannot defend himself and who was in fact a victim of his regime," Sison added.

In a recent campaign speech, the President charged that the late senator and some members of his family were present when the CPP and the NPA was organized in Hacienda Luisita. Located in Tarlac, the estate is owned by the Cojuangco family. Previous government documents on the CPP, however, said that the party was organized during a meeting held by its founding members in Pangasinan.

"I recall that when I had a talk with Mr. Marcos soon after my arrest, he tried to sow the intrigue that a congressman close to Ninoy had revealed to him that I met Ninoy in Hacienda Luisita," Sison said. "I categorically denied this to his face. Later, I would also learn from Mr. Bernabe Buscayno (who is also detained on charges of being the NPA chief) that Mr. Marcos had been angling for some false testimony against Ninoy."

Asked about the charges that the witnesses against Aquino during his murder trial were liquidated by the NPA, Sison said that those witnesses were "military assets grouped under two generals." "It was public knowledge in Central Luzon in 1976 that the civilian agents of each of those two generals were killing each other over the transport of garbage and stolen goods from Clark and Subic as well as over tong collection from prostitution and gambling dens in Angeles City and Olongapo City," he claimed.

"At any rate, the venerable Dona Aurora Aquino is obviously well-informed on the real circumstances of the killing of false witnesses against her son. You can consult her article or letter which appeared in MR. & MS. magazine sometime in September 1983 in response to Mr. Marcos's Aug. 22, 1983 accusation against the already dead Ninoy as being responsible for the death of witnesses against him. These witnesses were killed after perpetuation of their testimonies," he added.

Reacting to government charges that the opposition ticket of Corazon Aquino and Salvador Laurel is double-dealing by getting the support of the Left and asking for U.S. intervention, Sison said "Marcos continues to be the principal beneficiary of foreign intervention." "It is well-known that the U.S. has been humoring the electoral opposition," he said, adding that the regime continues to receive hundreds of millions of dollars in military and economic aid. "Marcos is merely jealous of the slightest sign of favor bestowed by the U.S. on the intrasystem opposition and is using the U.S. phobia of the CPP and NPA to retain his position," Sison said.

Commenting on the contending tickets and their prospects in the coming snap elections, Sison said the Aquino-Laurel team is "better" than that of Marcos and Arturo Tolentino, arguing that the opposition ticket has taken a "strong antifascist line." He added though that his personal evaluation of the two tickets does not mean endorsement of the snap elections which he considers "farcical."

Sison said that the coming polls has been "rigged" from the start. "As a sharp observer has noted, if Ninoy Aquino could be murdered at the Manila International Airport and the assassins could get away with the murder, there is no reason why the fascist dictatorship cannot fix the result of the snap election" he said.

KBL REPORTEDLY LINKED TO U.S. STATEHOOD MOVEMENT

HK091621 Manila TIMES JOURNAL in English 9 Jan 86 p 6

[Editorial: "Some KBL Men Have Dubious Links, Too"]

[Text] While leaders of the Kilusang Bagong Lipunan have been busy hammering away at supposed opposition links with the communists, they appear to have neglected some elements in the ruling party who, in their eagerness to deliver votes for the Marcos-Tolentino tandem, have also forged links with some groups of dubious character.

The other day, Presidential Assistant and concurrent deputy Immigration and Deportation Commission Victor Nituda was reported to have allowed himself to become an adviser of the Philippine Statehood USA Movement and later was quoted as endorsing a plebiscite on whether or not the Filipino people would wish to have their country become the 51st state of the United States. We can only hope that Mr. Nituda made the endorsement in his private capacity and not as presidential assistant or deputy immigration commissioner. Or, for that matter, as chairman of the Loyalists for Marcos Movement.

Nobody, of course, can begrudge the members of the Statehood Movement for wanting their country to become part of the United States. The hardships that many of them had undergone all these years must have played a large role in convincing them that this is all for the good of Filipinos. As they say, nationalism is a good word but it does not settle well on an empty stomach. There is really nothing wrong with the movement, for surely, there is nothing wrong with wanting to enjoy a little more comfort in the home, a little more food in the stomach and a little more clothing on our backs. It is also perfectly human to despair, to feel that the situation here has become unbearable even taking into account the promises of our politicians that a bright future awaits us. The members of the movement have long reached the end of their patience and for them, the Filipinos' only hope now is the United States. Their reasons are practical and this being a free country, people on the other side of the fence, so to speak, meaning those obsessed with our sovereignty and dignity as a people, understand.

But they may not understand the stance of Mr. Nituda too well. In fact, they may not look as kindly on him. And this could include the ruling KBL of which Mr. Nituda is a leading member, or the President himself, to whom Mr. Nituda and his loyalists have pledged their undying loyalty.

Of course, many KBL politicians will understand why Mr. Nituda did it. The statehood movement, after all, claims membership of more than 10 million and whose support can certainly do a lot to help the President's and Mr. Tolentino's bid. But we wonder how this would settle with top bosses of the ruling party who have been shouting themselves hoarse denouncing the opposition for welcoming foreign intervention in the forthcoming election. Surely, the statehood movement goes beyond foreign intervention. We are surprised that it should even be entertained by quite a number of our people.

KBL ACCUSED OF PRESSURING GOVERNMENT EMPLOYEES

HK091533 Manila BUSINESS DAY in English 9 Jan 86 p 20

[Text] Teofisto Guingona, chairman of the cause-oriented group Bansang Nagkakaisa sa Diwa at Layunin (Bandila) [an alliance of social and liberal democrats] yesterday assailed the Marcos administration for pressuring government employees to support President Marcos in the February 7 poll.

Prepared forms have been distributed to government offices asking each employee to jot down his name, address, voting precinct, and names of 10 contact persons with their signatures, the Bandila head said. Guingona showed BUSINESS DAY a sample form apparently distributed to employees of the Ministry of Natural Resources.

Guingona also denounced the government's alleged granting of a franchise to political leader Ramon Durano (reputedly a strong supporter of the President in northern Cebu) to manufacture firearms. That was done without sufficient legal standards, without public bidding, and without any apparent need, Guingona claimed. Such act is prohibited under Article 22, section 261 of the Omnibus Election Code and is subject to severe penalty, he said. He also pointed out that it negates the intended ban on the use of firearms during the election period.

DAILY EXPRESS COMMENTS ON OBSERVER DELEGATIONS

HK091519 Manila PHILIPPINES DAILY EXPRESS in English 9 Jan 86 p 4

[Editorial: "Time To Draw the Line"]

[Text] Another team of American political and election experts is in town. At the rate U.S. missions are coming to the Philippines, ostensibly to observe the Feb. 7 election, the rest of the world may get the impression that Filipinos cannot hold fair and honest elections without American intervention.

The latest delegation that arrived, dubbed as bi-partisan, is composed of three members each of the Republican and Democratic political think tanks and is jointly headed by their executive directors. Based on the official announcement of the delegation, the members will confer with government and non-government officials "to evaluate prospects and establish guidelines for a major international observer program for the February 7, 1986 election."

It is clear that the mission is to pave the way for the coming of a larger team to observe the presidential election. It is expected that many of the observers will be Americans because the two institutes will assemble and coordinate the observer team which will consist of leading international election experts and political leaders. The official announcement of the delegation indicated some areas which the members want to explore. The Americans, like the earlier Center for Democracy delegation sent by the U.S. Senate, want to familiarize themselves with the system of Philippine elections. They will meet with officials of the Commission on Elections [Comelec], the major political parties, the Namfrel [National Movement for Free Elections], and other organizations involved in the elections.

Listed by the delegation as one of its missions is an assessment of prospects for access to polling places. The danger of allowing foreign observers to enter the polling places is that they might wittingly or unwittingly intrude into the conduct of the election. Not fully aware of the provisions of the Philippine election law and the rules and regulations of the Comelec, the foreigners might even be perceived as trying to influence the voting.

President Marcos and other Philippine Government Officials have repeatedly said that foreign observers are welcome to observe the presidential election as long as they do not interfere with the conduct of the election. Americans and other foreigners who want to observe the presidential election can, therefore, come whenever they want to but they should abide by the laws of the country.

But is allowing them that kind of leeway wise? We have already been too hospitable, lenient and tolerant with foreigners.

We should never give the impression of having surrendered even an iota of our sovereignty. If there are foreign observers at all, they should stay outside the 30-meter limit set by the law. Never should they be allowed inside polling places. That would be too much; any Filipino, if he is not a voter or part of the electoral board, would never be allowed inside the precincts. Why should foreigners be so allowed? The line has to be drawn somewhere.

3 JUSTICES NAMED TO ELECTORAL TRIBUNAL

HK091517 Manila PHILIPPINES DAILY EXPRESS in English 9 Jan 86 pp 1, 3

[Text] Chief Justice Ramon Aquino of the Supreme Court took his oath of office yesterday as chairman of the independent presidential electoral tribunal before Speaker Nicanor E. Yniguez as mandated by law. Supreme Court Justice Hermogenes Concepcion Jr also took his oath as member of the tribunal before the chief justice. Under Batas Pambansa Blg 884, the tribunal shall try, hear and decide election contests involving the president-elect and vice-president-elect. The tribunal shall be composed of nine members, three of whom shall be the chief justice as chairman and two other justices to be designated by him, three majority and three minority members of the Batasan. The other tribunal member from the Supreme Court, Justice Nestor Alampay, was reported indisposed. Hence, he was unable to take his oath before Aquino. Yniguez said he has already written Batasan Minority Floorleader Jose B. Laurel Jr to appoint the three opposition members to the tribunal.

The oath-taking of the minority members is scheduled to be held together with those of the majority members before the speaker not later than Jan 23, or 15 days before the Feb 7 elections as mandated by law. Expected to be designated tribunal members are Political Affairs Minister Leonardo B. Perez, Deputy Justice Minister Manuel Garcia and Assistant Majority Floorleader Arturo Pacificador, all representing the majority party (KBL) in the Batasan. Under the law, five members of the tribunal shall constitute a quorum to do business. The tribunal shall hear and decide en banc all presidential and vice presidential election contests within 12 months after their filing. At least five members shall be necessary for a final decision.

COMELEC BEGINS PURGE OF PADDED VOTERS LISTS

HK091529 Manila BUSINESS DAY in English 9 Jan 86 p 20

[Text] The Commission on Elections (Comelec) has started purging the lists of voters which are reportedly padded with "flying voters." For a start, the poll body will summon Makati Mayor Nemesio Yabut to explain why his city's list of voters apparently contains thousands of "flying voters."

Commissioner Froilan Bacungan, chairman of the committee to purge the voters' lists nationwide, said yesterday he would invite the Makati mayor to appear before the poll body anytime this week. Bacungan said he would also summon Jose S. Concepcion Jr., chairman of the National Citizens Movement for Free Elections (Namfrel) to give more details on his claim that there are 73,757 excess voters in Makati.

Namfrel compared the number of registered voters in the municipality (325,632) with the estimated voting population (251,875), arriving at an excess of 73,757, or 29 percent over the voting population. A separate study of the Comelec shows that 1,572 voters in 23 poll precincts in Makati have identical thumb prints.

Julio Desamito, manager of the records and statistics department and Elena Cuachon, chief of the voters identification division, reported to Bacungan that the identical thumb prints were discovered after 27 fingerprint technicians went over the prints of 6,661 registered voters using magnifying glasses.

There may be more voters sharing thumb prints since the study made by Comelec covered only 2 percent of Makati's total 858 voting centers. The commission will look over the entire voters' list to determine the exact number of voters with identical thumb prints, Bacungan said.

In other areas of the country where there are "serious statistical improbabilities," Bacungan said the commission is already instituting exclusion proceedings against the so-called flying voters. Comelec has identified two cities and 52 municipalities with at least a 20 percent excess of registered voters over the estimated voting population. Election registrars nationwide were instructed to go over the lists of voters in these areas, Bacungan said. The assistance of the Integrated Bar of the Philippines will also be engaged in the proceedings, he added.

Yabut has repeatedly denied that flying voters exist in this town's voters' list. Concepcion, in a statement, said the high possibility of flying voters in Makati is further evidenced by actual cases in the 1984 registration. Namfrel submitted to the Comelec in 1984 some 933 voters' affidavits from voting centers in Makati for evaluation. An analysis made by Cuachon revealed that out of 933 thumb marks in the voters' affidavit, 616 thumb marks were made by 60 registrants. "This means that the 60 registrants have registered an average of more than 10 times each in Makati," Concepcion said.

Namfrel has found a large number of people in Makati as having the same residence or birthday. Concepcion said 206 people are listed living at 3314 Zapote St. Their neighbor at 3316 Zapote St. has been listed as having 147 occupants, he added.

The poll body also directed yesterday its regional election directors to have all prohibited election propaganda confiscated or torn down if these are not immediately removed by the political parties or candidates concerned. The poll body issued the directive in the wake of reports of violations of its rules prohibiting certain forms of election campaign materials.

Chairman Victorino A. Savellano said the Comelec has been receiving numerous complaints from the provinces that campaign streamers are being displayed along streets and highways. He said these were referred to the complaints and action committee headed by commissioner Mario Ortiz.

CARDINAL SIN, BISHOPS ISSUE LETTER ON ELECTIONS

HK060759 Manila BULLETIN TODAY in English 5 Jan 86 p 4

["Pastoral Letter" by Cardinal Jaime L. Sin and the auxiliary bishops of Manila on the 7 February elections dated 28 December 1985 -- capitalized passages published in bold-face]

[Text] BELOVED BROTHERS AND SISTERS IN CHRIST: Peace be with you! We, your pastors, wish to speak to you about the forthcoming February 7 elections. We all know how important these elections are. They are so decisive that their failure may plunge our country into even greater instability and violence. It is thus of the utmost importance that every voting Filipino does all in his power: 1) to vote in this election; 2) to assure that it be peaceful and honest in its conduct; and 3) to ensure that it becomes really an expression of the people's sovereign will.

We know from past experience that all this does not come about automatically. Our elections and referenda in the past 20 years have been marred by widespread violence and dishonesty. On the other hand, our experience in Metro Manila in the last election showed that with the proper vigilance and effort the people can express their will effectively through the ballot, and can ensure that that will be respected and prevail.

We wish to emphatically point out that participation in these coming elections is not only a political act. It is also an exercise of our Christian faith. We should participate in this electoral process AS CHRISTIANS. Our faith must exercise and manifest itself in the public domain by the way we conduct ourselves during these elections. Our Christian faith must be lived not only in the privacy of our consciences and in the sanctuary of our churches but also in our effort to make our country a place where human dignity is respected and peace, the fruit of justice and love, prevails. No one should be more concerned than Christians to shape a society worthy of God's children.

HENCE, WE ASK ALL VOTERS:

- 1) Inform yourselves well of the persons and issues involved so that you can exercise an enlightened judgment in the polling places.
- 2) Do what you can, singly and in organized collaboration with others to promote the election into office of worthy candidates.
- 3) Be sure to register, and check whether you are properly registered. Be sure you can vote on February 7.
- 4) Vote on February 7; and assure yourselves that your ballots are cast in the proper ballot boxes without being tampered with.
- 5) Stay around the precincts in organized numbers, especially during counting time, and help ensure that the votes are properly counted and tallied, all the way to the office of the COMELEC.
- 6) Do not cheat. Do not cast more than one ballot.
- 7) Do not sell your vote. The acceptance of money to vote for a candidate (a practice we do not encourage) DOES NOT BIND YOU TO VOTE FOR THAT CANDIDATE. No one is obliged to fulfill an evil contract.

TO NAMFREL VOLUNTEERS, AND OTHERS LIKE THEM:

- 1) We praise, support, and endorse fully your selfless efforts. The Lord will reward you as true peacemakers.
- 2) Our priests and concerned parishioners are willing and ready to extend to you whatever help they can to help you pursue your noble work. Do not hesitate to ask for their cooperation.

TO THOSE WHO WILL MAN AND SUPERVISE THE POLLS, AND TO THE COMELEC:

- 1) We are hopeful that you will do your work in a truly patriotic and Christian way. Please do not fail your country and God.
- 2) Please remember that you are the servants of the people, and not of any one person or political party. Count and tally the votes honestly. Respect the will of the people.

It is a seriously immoral and un-Christian act to cheat or make others cheat during these elections. It is a serious act of injustice against your fellow Filipinos, your country, and God, who cannot be mocked.

TO THE CANDIDATES, POLITICAL PARTIES, AND THEIR FOLLOWERS:

- 1) We support your stated wish for clean, peaceful, and honest elections.
- 2) Campaign as hard as you can, but reject deceit, dishonesty and violence during these elections.
- 3) Do not buy votes, coerce, or harm people in any way.
- 4) If you commit injustice, you will be bound to undo the damage by fitting reparation. Elections violence and cheating are sins that cry to heaven for vengeance.

AND, FINALLY, TO ALL FILIPINOS:

So much is involved in these elections. The very future of our country is at stake. Let no one be uninvolved and indifferent. Everybody must do his share. We exhort everyone, even the children, to pray for honest and peaceful elections. We exhort those who can fast to do so for this purpose. And we exhort the sick and suffering to offer their sufferings and prayers also for this intention. By our vigilance and Christian involvement in the February 7 elections, let us prove that we are being converted to the Lord, and there is an effective non-violent way to change the structures in our society.

May the Lord God of history lead us all to a better future through the expression of, and respect for, the people's sovereign will. May Mary our Mother accompany us with her maternal love.

Yours servants in the Lord,

[Signed] Most Rev. Teodoro Buhain
Most Rev. Gabriel Reyes
Most Rev. Teodoro Bacani
Jaime L. Cardinal Sin
Archbishop of Manila
Most Rev. Reginald Arliss
Most Rev. Manuel Sobrevinas
Most Rev. Bienvenido Lopez

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BUSINESS DAY TERMS ECONOMIC RECOVERY 'ILLUSION'

HK090741 Manila BUSINESS DAY in English 8 Jan 86 p 5

[Article by reporter Rigoberto D. Tiglao: "Only the Illusion of Recovery"]

[Text] With the country's international reserves back to the \$1 billion mark and with inflation rates stabilizing to one-digit levels, the Philippines at the end of 1985 showed every indication of having crawled back from the brink. Yet a more careful sifting of the data would seem to show that the country's economic performance last year was nothing more than a miracle of mirrors. Worse, the probable political and economic repercussions of two elections -- to be held back to back within an extremely short period of four months -- threaten to shatter that illusion of recovery.

As economic activity further dropped by 4 percent in 1985 -- which roughly means that income per person in the country has been cut by more than a tenth since 1983 -- there is dawning realization that only a political catharsis to birth a tremendous national will for economic reconstruction can now reverse a decade-long depression.

Exemplifying the highly fragile nature of the economic "recovery" last year were the highly publicized figures showing that the country had posted tremendous balance of payments [BOP] surpluses last year, reported at \$2.6 billion as of the end of the third quarter. Yet this hardly reflected a dramatic bootstrap-lifting effort to reverse the foreign exchange crisis. More than \$2 billion of the "surplus" derived from the loan documents that postponed payments of huge foreign debts built up since 1972. The rescheduled loans were magically converted into new foreign inflows under the BOP accounting system.

Neither were the surpluses in the so-called current account balances -- which shows the bottomline of foreign exchange inflows and outflows arising from trade and other non-trade transactions -- the result of a tremendous gain in foreign exchange earnings. Rather, they were the result of a crippling contraction in imports which choked industrial growth.

Exports last year were nowhere within the government's expectation of a 10 percent growth. At only \$4.7 billion last year, which meant a 9.7 percent decline from the 1984 level, export performance in 1985 was virtually the reverse of government expectations. Although the minimal trade deficits last year may be considered optimistic, they were achieved at a devastating cost to industrial production since imports for raw materials and equipment were cut by about 16 percent. The human cost was even higher, with even conservative government figures showing that at least two million were without jobs last year.

Nor were government claims of a huge underground economy concealing the resilient strength of the larger economy of any real comfort. The swelling of the so-called underground economy merely represented the mass of workers thrown out of, or given inadequate jobs that had to resort to petty trading that created minimal economic output.

Prime Minister Cesar Virata rationalized the depressing trade figures by pointing out that the weakness of the world economic recovery had the same depressing impact on the trade of other developing countries. He failed to point out, however, that it was only the Philippines which appears to have posted a substantial decline in GNP and a two-digit rate of export decrease in the region. Also glossed over is the fact that after 20 years in power, the administration of President Marcos has failed to adequately restructure both local and export industries. What the Philippines has is an import-dependent domestic industry that totters with every contraction of imported raw materials and a Johnny-come-lately manufacturing-export sector -- such as the semiconductor and garments industries -- that now threatens to be wiped out by protectionist measures from the industrial countries.

Also give hyperbolic treatment by government officials was the rapid decline in both inflation and interest rates. Again, what is not pointed out is that the drop in inflation rates was not of the type that represents increased production expanding supply to bring down prices. Deflation in the past year was merely a decline in prices due to depression economic contraction siphoned income from people to such an extent that there was little demand for commodities. Business had to dispose of its production at lower prices to survive.

True, high interest rates broke the back of inflation, as the Central Bank [CB] governor is fond of saying. But it may also have broken the back of Philippine business as well.

Monetary authorities appeared to have realized this towards the end of the year. With interest rates brought down from the peak 40 percent rates to the 15 percent to 20 percent levels in the last half of the year, business activity hardly responded. Either the credit system had totally broken down or there was little business left to avail of the credits.

CB governor Jose B. Fernandez, Jr., at the beginning of the year seemed to have struck at this realization when he told reporters: "Pure adjustment will not do the trick."

The reality yielded by the economic data is that the country has been merely chasing its tail at the edge of the debt ravine. While it may have arrested the nosedive towards economic holocaust, it also hasn't moved back from the edge.

To honor its debts that cannot be rescheduled, the government has merely drastically contracted its imports. While this may have been attractive window-dressing for the country's bank creditors -- and a straitjacket required by the International Monetary Fund -- the country cannot continue this tail-chasing for long. Settlement of the country's foreign obligations will require increased export revenues, especially since the Middle East overseas construction bubble that had softened the country's economic fall since the mid-1970s has started to burst. Increased exports will however need a higher level of importations and, underscoring the tail-chasing nature of government's adjustment program, has been its inability to set up the superstructures and incentives for export production. Glaring also is the fact that no crisis-program has been advanced to boost agricultural production, except a World Bank loan program that even the Ministry of Agriculture terms unrealistic. The only thing that could pass off as a real government achievement last year, though still of a dubious nature, is the reported \$700 million return of capital to the country, half of which, according to a noted economist, can only be traced to the return of dollars salted away by "cronies."

More importantly, the IMF straitjacket will soon mean a social explosion as at least a 3 percent annual growth (interest payments up to 1990 of about \$2 billion yearly has been estimated to decrease GNP by 10 percent will be needed to feed a population growing at a 2.4 percent pace yearly).

The single-digit annual declines in GNP growth rate (5 percent in 1984 and 4 percent last year) actually conceals the serious damage that has resulted from the debt crisis. It also underestimates the massive economic effort the country would have to undertake to feed its growing population. Just to achieve this year the same level of real GNP as in 1982 -- one accurate definition of economic "recovery" -- GNP this year would have to grow by a boom rate of 9.6 percent an astronomical rate considering that GNP growth in industrial nations is not expected to the 4 percent rate [as published] before the end of the decade. Or, if the economy were to produce this year the same real output per person that existed in 1982, it will have to have a 20 percent growth rate now, assuming a 2.4 percent annual population growth since 1982.

Moving out of the edge of the debt ravine now obviously requires a phenomenal national will -- a national consensus to forge a commitment for economic reconstruction, or a groundswell of business confidence in the political system. Many are doubtful that after 20 years in power that only led to the worst economic crisis in the nation's history, the Marcos administration can forge that national will or inspire that confidence.

It took the administration two years to set up the financial rescue package for the country's foreign exchange crisis -- a package that the bank creditors were actually more than willing to extend or they would have had to book a \$15 billion loss in their books. Much time was lost in 1984 because of the political factors that prevented the government from imposing the measures needed to stabilize the economy, such as the surge in money supply due to the May Batasang Pambansa elections.

Last year, it was apparently the turn of the technocrats to blunder on the adjustment program. For instance the failure to foresee the National Commercial Bank affair that delayed the agreements on the new loan facilities and the decision to appreciate the peso too much that resulted in the swelling of the money supply (because of CB purchases of foreign exchange from banks) beyond the IMF's March ceilings and which later contributed to the messing up of the budgetary deficit targets (the lower exchange rate meant lower import duties).

This year political factors again will very likely mess up recovery efforts. Never in Philippine electoral history have incumbent administrations failed to print amounts of money in desperate attempts to win the contests. The February 7 presidential election could very well be a repeat of the 1969 elections, in which the swelling of the money supply laid the groundwork for the 1970 devaluation and inflationary environment. This time the impact of a swelling of the money supply will be almost immediate because of the very fragility of the country's adjustment program.

The IMF will undertake its third and last performance review of the Philippine economy right after the elections. The review will determine whether the country can draw not only the remaining portions of the standby facility but also the last \$400 million portion of the commercial banks' loan. Failure to pass the last IMF testing period could mean another disruption of the economic recovery program. The missing of IMF's end-July targets last year for instance delayed the schedule for about five months with the country able to draw on the IMF and bank credits only by December. In turn, disruption of the schedules for the drawdown on the remaining IMF and bank credits will mean that a new restructuring agreement with the banks will not be struck by the start of 1987.

The review is particularly critical since the \$3 billion trade facility and the existing rescheduling agreement expires this year. Failure to conclude another agreement with the banks by the end of the year, will mean that payments will have to be made on the \$3 billion in trade credits and at least another \$1.7 billion in principal payments (the debts not covered in the existing restructuring agreement) by next year. All told, little would be left for imports to prompt the minimum 3 percent GNP growth without a new restructuring agreement. The danger is that if Marcos wins in the February elections, at a time his political career is approaching its twilight, foreign banks may be prompted to make the quite logical decision to adopt a wait-and-see attitude before renewing another restructuring agreement by 1987. An even worst-case scenario could emerge if social upheaval erupts from the Feb 7 elections, in which case the country may find it more difficult to get imports even on the cash basis system that operated in 1983-1984.

Either way, the illusion in 1985 of billion-dollar foreign exchange surpluses and single-digit inflation rates could give way to the reality of an economy in disarray with no political leadership to put it aright. Unless the outcome of the Feb 7 elections prove otherwise.

AIR FORCE ADMITS USE OF BOMBS AGAINST REBELS

HK081530 Manila TIMES JOURNAL in English 7 Jan 86 p 3

[Text] The Air Force, for the first time yesterday, admitted that it has been using bombs to flush out rebels from their lairs and destroy their infrastructure. Maj Gen Vicente Piccio, Air Force chief, made the admission in a conference with members of the Defense Press Corps at the Villamor Air Base. He did not disclose, however, the types of bombs being used in the counterinsurgency campaign. Neither did he say since when the Air Force had been dropping bombs on insurgents' lairs, but said: "We have been dropping bombs from time to time." Piccio said that one such instance was sometime in the last quarter of 1984 when Air Force planes dropped bombs on a New People's Army training camp in Bugnay, Kalinga-Apayao. The Camp was completely destroyed and a number of NPA guerrillas holed up there may have been killed, Piccio added.

NPA STEPS UP EFFORTS TO DISRUPT ELECTIONS

HK100253 Manila TIMES JOURNAL in English 9 Jan 86 pp 1, 4

[By Daniel Florida and Teddy Owen]

[Text] The Communist Party of the Philippines [CPP] and its military arm, the New People's Army, have stepped up their campaign of terror to subvert the electorate's free exercise of the right of suffrage, reports from the provinces yesterday showed.

In Baranggay Sto Rosario, Mexico, Pampanga, a band of heavily armed communist terrorists seized a mini-bus then burned it in a sugarcane field in Baranggay San Rablo in Sta. Ana town, some 15 kilometers away, Tuesday night. Some of the 45 passengers of the burned Arayat Express bus said they overheard the rebels warning the driver and the conductor to inform their operator and the owners of other transportation firms not to allow the ruling Kilusang Bagong Lipunan to use any of their buses, correspondent Ben Gamos reported. Sources said the burning of the bus was obviously done to scare away people from a KBL rally that was supposed to have been held yesterday in San Fernando, Pampanga, with reelectionist President Marcos and his running mate, Member of Parliament Arturo Tolentino, as principal speakers. The rally was cancelled hours before the bus was taken by the terrorists, though.

In Bataan, an alleged plot to liquidate ranking military officers and town mayors in the province because of their strong anti-communist stand has been uncovered. The government-owned Philippines News Agency [PNA], quoting intelligence sources, reported that the NPA has in its list for liquidation Col Jose Andaya, Bataan PC [Philippines Constabulary] commander, and Abucay Mayor Payumo. Also marked for liquidation are Andaya's two junior officers, Capt Rodolfo Rebuelto and Captain Abad, and a civilian whose name was not immediately known, the PNA added.

The ill-fated Arayat Express bus, a dieselfed Canter Mitsubishi, model 1979, was on its last trip from San Fernando to Arayat when it was commandeered by the terrorists who were armed with Armalite rifles and handguns. Ruperto Ramos, the bus driver, said the armed band told the passengers to alight and then ordered him to drive westward. Somewhere along the way, Ramos said, he and his conductor, Rodrigo Ocampo, were blindfolded and another man took over the wheel. Miguel de la Cruz, part owner of the Arayat Express, said the burned bus was worth more than P100,000 and insured for only P10,000. He said he could not understand why some people should turn their ire on the firm's bus, adding that the firm is engaged in public service and it cannot deny anyone the use of its buses.

Meanwhile, KBL assistant majority floor leader Rodolfo Albano warned yesterday that the communist threat "is more real than imagined," citing the latest reports of an American newsman of the Time-Life News Service, who had been critical of the administration of President Marcos in the past. Albano, in the course of his campaign for the Marcos-Tolentino tandem in the Cagayan Valley, read from "The New Khmer Rouge," a lengthy article written by Ross H. Munro who had been reporting on the Philippines since 1978 as TIME correspondent in Southeast Asia and in Washington, DC. Albano said the Munro findings were based on first-hand experience among the New People's Army in many parts of the country. "Munro came out with the view that the Communist Party of the Philippines-NPA under the leadership of Rodolfo Salas, the UP [University of the Philippines] engineering graduate who replaced Jose Ma. Sison, had become the 'fastest growing, most threatening and arguably the most brutal communist insurgency in the world today,'" Albano said.

Albano quoted Munro as saying that even former Sen Jose Diokno, an independent nationalist, claimed "they (the communists) feel they're so close to victory that they only need two or three of us." Diokno resigned from the front organization of the communists. Albano said that the communists, as also reported by Munro, were waging a largely unreported campaign of terror, assassination and torture in the Philippine countryside. In the cities, Munro said in his report, the working style of the CPP is so paranoid, rigid and totalitarian that even leftwing nationalists have quit anti-Marcos alliances controlled by the communists.

Albano said that what Munro had reported from his own experience and through interviews with known leftist-inclined groups was happening all over the country where the communists had some influence. In his campaign in the Cagayan valley, Albano listed from the Munro report the following terrorist activities of the communists:

-- Many students who have been invited to visit NPA strongholds and view the revolution firsthand have returned appalled by what they had seen. They were made to watch communist guerrillas execute "suspected informers" by a slow and cruel death. A leftist professor in Manila told Munro this is happening all over the country.

-- "Suspected informers" are labelled by the communists as those who refuse an NPA invitation to attend a lecture in a nearby hut on the evils of capitalism, those who speak out against communists or who refuse to pay NPA "taxes".

-- To augment their funds to feed and arm their ranks, the NPA attacked Philippine Protestant missionaries in Surigao del Norte for refusing to share with them their Sunday collections and killed two pastors and beat up a deaconess.

-- Unsympathetic journalists were killed as in the case of the slaying of two anti-communist radio commentators in Cebu city but it would appear that these killings are not played up as fully as those journalists who are known to be anti-Marcos.

-- Communist attacks on the leaders of democratic trade unions have increased, and Ernesto Herrera, the general secretary of the Trade Union Congress of the Philippines (TUCP) said nine TUCP leaders had been killed by the communists in the last 10 months.

-- In trying to control a gold-rush site in Davao del Norte, the NPA executed 45 people in less than five months, with many of the recovered bodies showing signs of torture.

-- NPA guerrillas seized Corazon Pacana Colaso, a minor town official in Mindanao and a sister of the provincial governor, and in a hastily court sentenced her and shot her dead.

-- Some 184 local officials were killed by the NPA in 1984 and more than this was recorded in 1985.

Albano quoted Munro as saying:

"Although the NPA reign of terror is largely ignored by foreign correspondents and the anti-Marcos media, it is no secret among communist party members. On the final day of my most recent trip to the Philippines, I told a key member of the CPP that I had repeatedly heard horror stories about NPA terror and violence directed against civilians in almost every part of the Philippines. He offered no word of argument nor even a suggestion that the stories might be overblown."

In Dagupan City, the other day, Political Affairs Minister Leonardo B. Perez, accused Unido presidential candidate Mrs Corazon Aquino of "laying the basis for a coverup of the atrocities committed by NPA at the Luisita Hacienda by proposing a general amnesty to all communist offenders and offering partnership to the Communist Party in running her administration if elected."

VER CALLS CURRENT NPA ACTIVITIES 'NORMAL'

OW091219Tokyo KYODO in English 1210 GMT 9 Jan 86

[Text] Manila, Jan 9 KYODO -- Armed Forces Chief Gen Fabian Ver said Thursday that activities of the communist-led New People's Army (NPA) during the current campaign for the February 7 snap presidential polls were "normal during elections." But local officials belonging to the ruling Kilusang Bagong Lipunan (KBL -- New Society Movement) are expressing alarm and saying that the NPA is terrorizing the electorate in the provinces outside Manila while campaigning for the opposition presidential candidate Corazon Aquino against President Ferdinand Marcos.

"There are no unusual activities as of now that would make a basis for anticipating that the situation will grow worse ... unlike in the past," Ver told reporters. Asked whether the situation is relatively more peaceful than in past elections, Ver said "yes."

Marcos has accused Mrs Aquino of consulting with alleged communists and has warned that an opposition victory would allow the Communist Party to control the government.

Mrs Aquino said the anticommunist propaganda campaign by Marcos was "witch-hunting" and expressed her fears that Marcos was preparing the people for possible declaration of martial law to preempt an opposition victory.

The NPA said it will boycott the snap polls, following the Communist Party decision in late December. An NPA commander in northern Philippines told KYODO NEWS SERVICE that the guerrillas will not support Mrs Aquino, the widow of assassinated opposition leader Benigno Aquino who Marcos recently accused as one of the organizers of the Communist Party and the NPA.

VER SAYS 21 REBELS KILLED IN GUN BATTLE IN MACO

BK100915 Manila PNA in English 0904 GMT 10 Jan 86

[Text] Manila Jan 10 (PNA) -- At least 21 rebels were killed in a fierce gunbattle Wednesday with government troops in Maco town, 850 south of here, in Davao del Norte Province on Mindanao Island, military authorities said Friday.

Philippine military chief Gen Fabian C. Ver, quoting field reports, said the bloody clash erupted while the troops were on combat patrol. He said about 80 rebels, armed with American-made Armalite rifles and grenade launchers, engaged the soldiers in a running gunbattle. But as the troops pressed on, the rebels retreated, leaving 21 of their comrades dead, according to General Ver.

The soldiers recovered from the scene of the encounter 12 high-powered firearms, including seven Armalite rifles, four grenades and Browning automatic rifles. There was no casualty on the government side, Ver said. The 65-year-old four-star general said the combat operation was part of the military's preemptive move against the communist dissidents in view of the Feb 7 snap polls. The outlawed Communist Party of the Philippines said this week it would campaign for a boycott of next month's political exercise. It said its military arm, the New People's Army, would also carry out assault operations against security forces as part of its drive to destabilize the Manila central government.

ANTI-INSURGENCY DRIVE REPORTS GAINS IN ANTIQUE

HK091515 Manila BULLETIN TODAY in English 9 Jan 86 p 3

[Text] San Jose, Antique -- The government's drive against the New People's Army operating in this province was highly successful while a sharp decline in criminality rate was recorded for the year 1985, reported Col. Alfredo Daluyaya, the Antique Constabulary-INP [Integrated National Police] provincial commander. Daluyaya said that the local PC [Philippine Constabulary] command initiated 15 encounters against member of the New People's Army, killing 11 rebels in action, wounding seven others, and capturing 20 sympathizers who later underwent rehabilitation before going back to their respective communities. The Antique PC command seized 10 highpowered firearms, three hand grenades, and voluminous documents during various attacks. Daluyaya said that the mopping-up operations have weakened the influence of the NPAs in Antique which had been used in the past by the communist as their sanctuary during escapes from pursuing troopers. The PC commander also disclosed that the crime rate in Antique plummeted to an alltime low.

200 NPA MEMBERS SURRENDER IN WESTERN VISAYAS

HK091115 Quezon City Maharlika Broadcasting System in English 1000 GMT 9 Jan 86

[Text] Two hundred communist terrorists in Western Visayas have returned to the government's side and many more are going to surrender this month. The surrender of the NPA's was a result of the government's stepped-up pacification campaign and social rehabilitation programs assigned by Executive Order 1048. The presidential directive covers social amelioration and rehabilitation projects for the surrenderees which spurred them to go back to the mainstream of society.

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